

# The NATIONAL UNDERWRITER

Life I

dition

General Library  
University of  
Michigan  
Ann Arbor Mich  
Life 9

B-40

Welcome  
to  
Denver

N.  
A.  
L.  
U.



**THE CAPITOL LIFE INSURANCE COMPANY**

Clarence J. Daly, President

1

1st CONVENTION DAILY

WEDNESDAY, AUGUST 25, 1937



*Home of the Kansas City Life Insurance Company*

*We Extend  
Greetings*

*To the Members of the*  
**National Association of Life Underwriters  
in Convention at Denver, Colorado**

and express our appreciation for the work done by your Association to maintain the high principles and purposes of the Institution of Life Insurance.

After **42** years of successful operation, this Company is committed now, as always in the past, to the principles of Legal Reserve Insurance, as exemplified in sound underwriting and a wide variety of modern policies adjusted to the needs of the people in all walks of life.

**INSURANCE IN FORCE**  
**\$440,000,000.00**

**KANSAS CITY LIFE INSURANCE CO.**

**HOME OFFICE—KANSAS CITY, MISSOURI**



# The NATIONAL UNDERWRITER

## Mile-High Rally Is in Full Swing

### Seeks to Dissipate Shadow Cast on Capitalistic Setup

Merle Thorpe, Editor of "Nation's Business," Addresses Policyholders' Rally

Convention Headquarters,  
Denver, Aug. 25, 1937

The address of Merle Thorpe, editor of "Nation's Business," at the policyholders meeting Tuesday evening was a magnificent effort to take the capitalistic system in the public mind out from under the shadow that has been cast upon it by politicians today. American business, he maintained, is simply the total of the thousands of businesses that each person knows and in which most are engaged. It is more progressive, he contended, than that of any other land, whose alien doctrines are being espoused.

The meeting, which was opened by Isadore Samuels, chairman of the Denver committee, was attended by more than 7,000 life insurance people and policyholders. Mr. Thorpe was presented by L. Ward Bannister, prominent Denver attorney, who outlined the two major problems today facing the country. These, Mr. Bannister declared, are economic and political.

#### On the Speaker's Stand

On the speaker's stand were Roger B. Huil, Theodore M. Riehle, O. Sam Cummings, Earl Davis, Provident Mutual, president of the Colorado Life Underwriters Association; Stanley Wallbanks, president Denver Chamber of Commerce; J. Stanley Edwards; and W. A. Scroggs, Bankers of Iowa, chairman in charge of arrangements for the meeting. Members of the committee working with Mr. Scroggs on the affair which was generally conceded to be one of the most successful of its kind ever held by an underwriters' group, were: Clarence Daly, president Capitol Life; Mr. Samuels, Mr. Edwards, B. J. Harrington, Metropolitan; Karl Tomaschoff, Metropolitan; E. A. Dieckhoff, Connecticut Mutual; Harry Fabling, Pacific Mutual; William Goebel, Northwestern Mutual; Ray Peters, Jefferson Standard, and Vincent Pobrislo, Columbian National.

#### Agencies Distribute Tickets

Cooperating with the Senior and Junior Chambers of Commerce and various service clubs of the city, attendance at the meeting was built upon a sales basis, each general agent and manager pledging himself to distribute a certain number of tickets through the agents. In disposing of the tickets to policyholders, none was given out unless the agent was assured that the recipient would attend the meeting. That the plan, backed by long hours of hard work, was successful is demonstrated by an attend-

### Look for Ratification of Nominators' Slate

As the national council went into session late Wednesday afternoon to vote upon the 1938 convention city—Houston or St. Louis—and to elect new officers, the nominating committee's recommendations were known to all that were interested although they had not been officially announced. Last year at Boston the recommendations were officially made known at the Monday session of the national council. Here is the slate:

President—O. Sam Cummings, Kansas City Life, Dallas.

Vice-President—Holgar Johnson, Penn Mutual, Pittsburgh.

Treasurer—Robert L. Jones, State Mutual, New York.

Secretary—C. J. Zimmerman, Connecticut Mutual, Chicago.

Trustees—John W. Yates, Massachusetts Mutual, Los Angeles; John A. Witherspoon, John Hancock Mutual, Nashville; Ray Hodges, Ohio National Life, Cincinnati; Isadore Samuels, New England Mutual, Denver; J. Hawley Wilson, Massachusetts Mutual, Peoria, Ill.; Harry T. Wright, Equitable Society, Chicago; W. M. Duff, Equitable Society, Pittsburgh; and Frank B. Summers, New York Life, Boston.

As balloting time neared, it developed that the ways had been well greased, some electors who were breathing fire on Monday had been pacified, and that there would be no contest. Eight trustees are to be elected and eight are being named by the nominating committee.

#### E. A. Crane Situation

The contest that probably won't develop but which has been the subject of many whispered conferences in the lobbies and hotel rooms centers about Ernest A. Crane, Northwestern Mutual general agent in Indianapolis. He is now a trustee and the Hoosiers put him forward for reelection. However,

he was not included in the nominating committee's slate. Some of his supporters, particularly a group from Missouri, on Monday were threatening to nominate him from the floor Wednesday afternoon. Mr. Crane and his Indiana supporters, however, desired not to have such a situation develop and the more belligerent Crane supporters were called off.

There was some comment because of the fact that two Equitable Society and two Massachusetts Mutual men are on the slate. However, most came to the conclusion that this was simply the way the cards fell this year, that all are valuable men and deserve the honor.

Compared to the political situations that have occurred in conventions for the last five or six years, this year's situation is tame. Many association workers get a lot of fun from the political maneuvering and if there weren't a situation ready made, would proceed to manufacture one.

P. B. Hobbs, Equitable Society, Chicago, is chairman of the nominating committee.

An elaborate brochure in behalf of the candidacy of Mr. Duff was being distributed. On the cover was a large portrait of Mr. Duff and on the back cover a statement about the candidate signed by the special campaign committee: Erroll Ripley, chairman. On the inside was an outline map of the United States with black stars for those cities in which local associations have endorsed Mr. Duff and red dots for states which have given "unofficial" endorsement. This publication sets a new mark in campaign activities.

Although there was little question Wednesday as to the outcome of the election, the choice of 1938 convention city was not easily predictable. Both the Houston and St. Louis contingents were claiming victory.

ance which sets a new high for affairs of this nature.

Approximately 500 agents attended the meeting, occupying a roped off section in the center of the auditorium, reminiscent of the student cheering sections at football games. Applause, however, was not confined to this section but was general enough to indicate appreciation of the program presented.

Mr. Thorpe addressed a luncheon meeting of Northwestern Mutual Life people Tuesday, he being a trustee of that company.

#### Lacks Interpretation

Mr. Thorpe sandwiched in substantial references to insurance. It exemplifies, he said, American life and spirit that hates dependency.

"The greatest manifestation of this American spirit is before our eyes, yet how it lacks interpretation," he remarked. "It lies in the fact that more

than 60 million Americans sacrifice and save to guarantee independence through insurance and have set aside 25 billions of such savings to protect them in the event of death, sickness, accident and old age; and to reimburse them for losses due to fire and other casualties.

"There is a growing tendency to shove responsibility onto other shoulders, to contend that society owes each man, regardless of his own efforts, an easy living, and to expound the soft philosophy that by right, each of us, regardless of foolish mistakes, rash speculation, incompetency or plain laziness, should be maintained by the industrious and the thrifty.

#### Anxiety of Risk-Bearing

"We are living in a time when risk-bearing is beset with worldwide anxiety. In our own land confidence in the soundness and security of our in-

CONTINUED ON PAGE 41

### Registration Nearly 1,500 as Denver Convention Opens

Colorful Ceremonies at First Session Wednesday Morning—T. M. Riehle in Chair

Convention Headquarters,  
Denver, Aug. 25, 1937

With total registration in the neighborhood of 1,500, the Denver vacation convention of the National Association of Life Underwriters was opened Wednesday morning in the Broadway Theater—the famous structure erected by the first wife of the fabulous Silver Dollar Tabor to outdo in magnificence the grand opera house that Tabor had built. In one important respect, however, another generation has improved on Madame Tabor's conception. The theater is air conditioned. Even in "Cool Colorado—Air-conditioned by Nature," air conditioning by man is appreciated. The temperature has been in the high 80's and 90's, which causes some discomfort to those from traditionally hotter places until they are assured it is a dry heat. Then they feel comfortable.

#### Denver Hosts Cordial

By plane, motor and train, life insurance people have been pouring into Denver for the last ten days. Many have been working in sightseeing, peak ascending, and fishing expeditions. A good many will remain in the west for a holiday after the convention.

Everyone is impressed with the cordiality of the Denver hosts. Isadore Samuels, chairman of the local committee, is perhaps the most ubiquitous greeter and well wisher and has the most athletic handclasp, but dozens of other Denverites are functioning at various posts to insure that all activities are conducted smoothly.

The hotel problem has been solved pretty well. The hotel managements would have much preferred a later convention after the tourist season, but National association leaders insisted on this being a vacation-convention, so the Denver hosts undertook to insure proper accommodations. In some mysterious way everyone is comfortably bedded down despite the fact tourists throng the city. Two hotels are being used as headquarters—Brown Palace and Cosmopolitan—with registration machinery and exhibits in the latter. In addition the Shirley-Savoy nearby is well filled with insurance people.

#### Some Already Surfeited

To many, the opening of the convention is almost an anti-climax. Those who have been on hand since Saturday, attending the various subsidiary meetings have already had a full convention experience. As a matter of fact some of the campaigners depart after the preliminary activities are over.

Tuesday was replete with activity.

CONTINUED ON PAGE 39



## National Council Hears How Local Groups Operate

**Taken Up in Connection With National Association Committees Dealing With Problems**

Much additional interest was given this year to Monday's meeting of the national council by the new plan of working in the discussion of local association problems, which has been given a separate session for several years, with the reports of the National association committees dealing especially with problems of interest to the local associations, and devoting most of the council's afternoon session to those discussions. The council is composed for the most part of local association executives and it was felt that the merger of the two sessions would be advantageous to all concerned.

The reports taken up in that way were those of the committees on education, headed by Holgar J. Johnson, Penn Mutual, Pittsburgh; national letter contest, W. R. Furey, Berkshire Life, Pittsburgh; membership, C. J. Zimmerman, Connecticut Mutual, and the special committee on publicity, newly created this year, Frank B. Summers, New York Life, Boston. The discussions under those headings are presented elsewhere in other stories.

### Managers Associations Active

At the opening of the council session Monday morning, with President Riehle presiding, O. Sam Cummings was called upon to report both as chairman of the program committee and of the general agents and managers section. In the latter connection he reported that there are now 82 general agents and managers associations in operation in as many cities, all affiliated with the national organization, as against 30 last year. There are also 12 in Canada, eight

### Glen McTaggart Has All-Day Rally for His Prudential Men From Mountain Field

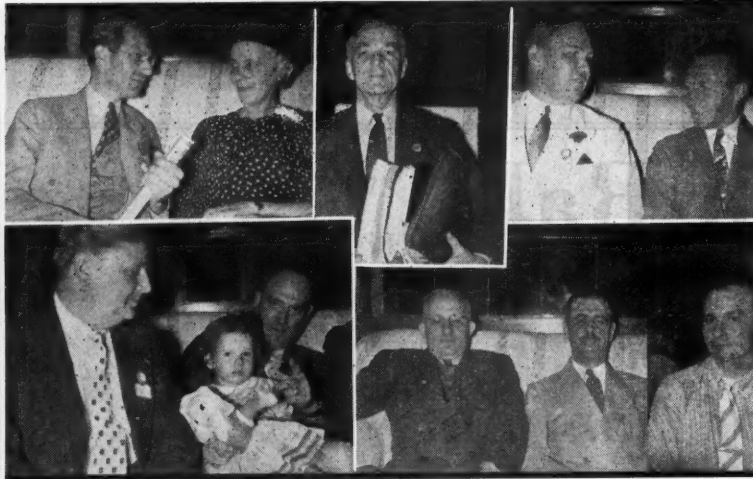
One of the important pre-convention affairs was the all-day rally Monday of the Glen McTaggart Prudential agency—Montana, Colorado, Wyoming, and New Mexico. Ten winners in a contest that ran for six months to June 30 were guests of Mr. McTaggart, who is one of the prominent Denver operators. He is a member of the Denver convention executive committee, chairman of the publicity and attendance committees, and campaign manager for Isadore Samuels, who is in the race for election as a national trustee.

Ten Prudential representatives from St. Paul sat in at the sessions. They had been brought to Denver by motor by Manager E. A. Elde. There were morning and afternoon sessions and a luncheon. Mr. McTaggart presided. Among the speakers were C. W. Campbell, Prudential manager at Jacksonville, Fla.; Vere Pennell of Chicago, western group manager for Prudential; J. C. Clapp, Des Moines Prudential manager, and Frank Bland, San Francisco manager, National Underwriter.

### Ohio National Turnout

E. B. Kirkpatrick, superintendent of agencies, and Grant Westgate, assistant superintendent, were on hand for Ohio National. About eleven of their field representatives are at the convention and they were entertained at a luncheon Tuesday. Mr. Kirkpatrick came direct from the head office. Mr. Westgate came from San Antonio. There he completed a series of agency meetings covering the Pacific Northwest, California and Southwest.

## Camera Shots at Random



Top row (left to right)—Isadore Samuels, New England Mutual, general chairman Denver committee; Miss Helen Summy, Equitable Society, St. Joseph, Mo.; Roger B. Hull, managing director National association; John W. Yates, Massachusetts Mutual, Los Angeles; Harry Andrews, Provident Mutual, Tacoma. Bottom row—Joseph Smith, Aetna Life, Dallas; Barbara Ann, daughter of M. L. Hoffman, assistant manager National Association, and Mrs. Hoffman; Maurice Stearns, John Hancock Mutual, Providence, R. I.; P. G. Young, Metropolitan, San Francisco; Phineas Prouty, Jr., Massachusetts Mutual, Los Angeles, and Willey Banes, Prudential, Albuquerque, N. M.

of which have become associate members, and the others are expected to act favorably on the idea this fall.

Isadore Samuels spoke briefly as chairman of the Denver general convention committee, outlining some of the entertainment features planned.

P. G. Young, Metropolitan Life, San Francisco, national secretary, reported that 10 new associations had been received into membership up to June 30, and four more since that time, and ten have been reinstated, while 11 have been dropped for non-payment of dues.

### Only One Twisting Case Reported

Reporting for the business standards committee, M. L. Seltzer, Aetna Life, Des Moines, said its principal activity had been sending out of 5,000 copies of the new code of ethics and standards of business practice. Only one case of twisting was reported and that was handled successfully by the state association.

C. Vivian Anderson, Provident Mutual, Cincinnati, chairman of the law and legislation committee, discussed the status of the Loneragan amendment and other federal legislation affecting life insurance and gave high praise to the

state and local associations for their work in advancing legislation favorable to life insurance and defeating inimical measures.

P. B. Hobbs, Equitable of New York, Chicago, chairman of the credentials committee, announced that in order to avoid the confusion that has arisen in some previous years, cards would be issued to all those entitled to vote at the council session Wednesday afternoon for selection of officers and the next convention city, showing their official status and the number of votes to which they are entitled. He urged all members of the council to obtain these cards at once.

### Work of Women's Division

Miss Helen Rockwell, National Life of Vermont, Cleveland, chairman of the committee on women underwriters, told of the organization of the women's division and its purposes and outlined the program for the women's session, presenting in that connection also the report of Miss Sara Frances Jones, Equitable of New York, Chicago, chairman of the women's quarter million dollar round table, stating that the names

(Continued on Page 41)

## Women Producers Have Full Day Of Activities

**Sessions at the Country Club Tuesday Attract Attendance of Seventy-five**

With the blue-grey range of the Denver Rockies visible out the open windows of Lakewood Country club auditorium, and with Helen B. Rockwell, National Life of Vermont, Cleveland, as general chairman, 75 women underwriters opened their crowded program Tuesday morning.

Mrs. Marie B. Parker, Equitable of New York, Denver, welcomed the delegates to Denver and Miss Rockwell, before introducing her speakers of the morning, gave a resume of the work of the past year.

"Our job was in two parts," Miss Rockwell explained.

"First, to organize women's divisions throughout the country; second, to increase the membership in the national association. That we were successful is proved by the fact that where a year ago there were seven women's divisions, today, there are 17."

### Local Women's Groups

In addition to those originally organized in Chicago, Boston, St. Paul, Portland, Ore., Syracuse, Washington, D. C., and Minneapolis, the following are now actively functioning: Rochester, N. Y.; Denver, Pittsburgh, Indianapolis, San Francisco, Cleveland, St. Louis, Baltimore, Kansas City and New York City.

The average number of women attending meetings ranges from 30 to 100, she said.

A comprehensive who's who of all women life underwriters in all cities in which there are women's divisions has been completed, cross-indexed as

(Continued on Page 40)

## Kansas City Life People To Have Rejoicing Luncheon In Denver Saturday

With John T. Allen, Colorado general agent, as host, about 125 head office and field representatives of Kansas City Life and their wives will gather at a luncheon in Denver Saturday to do some well-justified rejoicing in the election of O. Sam Cummings of Dallas, their Texas manager, as president of the National association.

Mr. Cummings is the second Kansas City Life man to head the association. The first was the late Orville Thorp of Dallas, with whom Mr. Cummings was associated. This is the first time that two men from the same agency have headed the association. Mrs. Thorp, who attends a good many National conventions, will be at the luncheon.

The head office will be represented by W. E. Bixby, executive vice president, and Mrs. Bixby; Mrs. J. B. Reynolds, widow of the late president; J. F. Barr, superintendent of agencies; J. A. Budinger, actuary, and Mrs. Budinger; Dallas Alderman, agency secretary and manager of the home office agency, who is president of both the Kansas City and Missouri associations, and Mrs. Alderman.

About 30 representatives of the Cummings agency are attending and there will be about 15 Kansas City Life people from Missouri. Others include: D. J. Cravens, Nebraska manager, and Mrs. Cravens; Wallace Hunter of San Francisco, Utah and northern California manager, and Mrs. Hunter; E. O. Zander, supervisor for New Mexico, who is president New Mexico association, and J. C. Hardin, general agent at Roanoke, Va.

## Message From President Roosevelt

THE WHITE HOUSE

Washington, August 20, 1937

Dear Mr. Riehle:

The records of life insurance companies, more than any other business, express the relative growth of the spirit of social and economic responsibility for others. The contributions which life insurance companies make toward safeguarding the security of American home life goes a long way in protecting our standards of living.

Unless our program serves to help the underprivileged to safeguard against want and to lighten the weight of physical and moral degradation among the people, our civilization will fail to meet its needed objectives. The security of the individual and the safety of society are pressing problems for the leaders of our times. They must be met and life insurance companies can and will assist in meeting the challenge.

It gives me great pleasure, through you, to extend hearty congratulations to all who attend the forty-eighth annual convention of the life underwriters of the United States. With best wishes for a constructive convention, I am

Very sincerely yours,  
FRANKLIN D. ROOSEVELT



# Big Crowd for Managers Section

## Survey Illuminates Sources and Selection Of Agents

**Research Bureau Inquiry Indicates How Manager Can Definitize Recruiting Job**

**By JOHN H. JAMISON**

(Mr. Jamison of the Research Bureau staff made this presentation at the General Agents and Managers Section meeting Tuesday.)

At the Managers' Section of the National association meeting in Boston last fall, the Research Bureau offered its services in cooperating with the National association to find out just what the recruiting situation is in 1937. This offer was accepted and met with enthusiastic response and I think you will be interested to hear the results of that study.

This study covers 1,000 prospective agents who were contacted in the first three months of 1937. We have divided them into three groups: those who were contracted, those who were turned down by the manager, those who declined contracts themselves. We have put the spotlight on those who did not take contracts. One man of each nine interviewed was hired (we believe this to be a very conservative figure). On the average, two hours were spent with each man who did not contract and 4½ hours with each man who did, making a total of 20 hours of interviewing. Two-thirds of those contracted were seen at least three times.

### Manager Found One-Third

One-third of the men were dug up by the manager and one of nine of these were contracted. One-fourth of them were secured through assistant managers and agents and one-fourth of these were contracted. One-quarter were located by advertising and direct mail and only one out of 12 were contracted.

The predominate objection raised by those who refused contracts was based on financial reasons—either the meth-

(CONTINUED ON PAGE 12)

## Telling the Story to the Prospective Agent

**By Neil Nettleship**

(Mr. Nettleship, who is agency manager, California-Western States Life at San Diego, addressed the General Agents and Managers' Section meeting.)

I want to impress on you that I am not going to try to put you into the life insurance business unless and until you, your wife, and I are satisfied that you have an excellent chance for success.

I am not interested in just adding another salesman in the hope that he will write some business, and that if he fails, the business that he has written will have added something to the volume of the agency. Your future is too important for me to play with. I feel a sense of responsibility when I put a man into the business, and if after I have put him into it he does not make a success, then I feel partially responsible.

### Uses Psychological Tests

Before I discuss the life insurance business in detail, I would like to have you take two tests if you do not mind. These tests will indicate to a considerable degree whether you have a reasonable chance of making a success in this business. (These are the Strong Vocational Interest Test and Verne Steward's "Composite Inventory and Examination for Life Underwriters.")

After you have taken these tests, if they prove to be favorable, then we will take the next step.

Assume that the tests have been taken and are favorable, and that an appointment has been made at the home of the prospective agent and his wife.

### Second Interview

I have gone over these tests and I believe that the indications are that Mr. Prospective Agent has the necessary likes for the things that the life insurance business will require him to do and that his other qualifications are suited for this business. They do not guarantee that he will be successful, but they will at least show that he has the possibilities, or I might say, probabilities of being successful.

I am going to take up the business from three separate standpoints. First, the market; secondly, the product itself, and thirdly, your compensation.

### Present Market Is Best

I believe that the present market is the best that it has been during the last twenty years. Every man is trying to build his assets so that there may come a day that he will have an independent income without working for it, and if he does not reach that period because he is taken out of it unexpectedly, then those who are dependent on him will be provided for in a reasonably comfortable manner. Every man has tried to accomplish these objects with stocks, bonds, real estate, business and life insurance. Some men have all five and some one or more. Stocks, bonds, real estate and business have depreciated in the last eight years anywhere from 25 to 100 per cent.

The only thing that did not depreciate at all was life insurance. There are hundreds of thousands of men whose assets, combined with their life insurance, formerly were adequate to take care of their dependents in event of their death, but who now find that their life insurance, though absolutely safe and sound, is not sufficient to provide an adequate income, and therefore there is only one thing for them to do, and that is to increase their insurance because their other assets, if they still own them, are more or less worthless.

### Guarantees Are Impressive

We no longer have any competition. I do not mean competition from other companies, but heretofore we have had rat and cat farms, goose farms, Peruvian monkey farms, oil stock, mining stock and anything that would promise a big enough return quick enough received ready attention. Our guarantees did not appear particularly attractive. Now that their promises have disappeared, our guarantees stand out prominently.

(CONTINUED ON PAGE 34)

## Phil Hobbs Named New Chairman; Succeeds Cummings

**Panel Style Program Enthusiastically Received By Large Audience**

Phil B. Hobbs, Equitable Society manager in Chicago, was elected chairman of the executive committee of the General Agents & Managers Section Tuesday evening at a meeting of that committee following the day-long session of the section. He is this year's chairman of the National association nominating committee. He succeeds O. Sam Cummings of Dallas, K. H. Mathus of the Research Bureau was reelected secretary.

The new members of the executive committee are: Frank Wigginton, Bankers of Iowa, Pittsburgh; Sidney Wertimer, Prudential, Buffalo; Frank Summers, New York Life, Boston; O. D. Douglas, Lincoln National, San Antonio; K. E. Williamson, Massachusetts Mutual, Peoria, Ill.; P. G. Young, Metropolitan, San Francisco, and W. H. Andrews, Jr., Jefferson Standard, Greensboro, N. C. The last named fills the vacancy created by the death recently of Victor Beamer, who was Florida manager for Equitable Society.

### Enthusiastic Reception

The sessions were attended by well over 400 and the program, which was constructed on the currently popular panel style, was enthusiastically received.

Mr. Cummings, who has become committed to these psychological tests that were used during the war and produced such discouraging averages in respect of the I. Q. of U. S. male citizens, got the executive committee and the section to sponsor the distribution of a series of such tests together with a sheet of instructions on how they can be applied to uncover deficiencies in prospective agents. The section voted to purchase 10,000 sets and to retail them to members at 5 cents per set.

Mr. Cummings, in closing the session, reported that each of the 82 local managers associations in the United States are now affiliated with the national section. Eight of the 12 Canadian units have accepted the recent invitation to become affiliated as associates.

### Strenuous Day for Panelists

The panelists had a strenuous day. Not only was each required to contribute a sustained monologue, but he had to chime in at the indicated points with questions, observations and ad libbing and he had to keep his eyes focussed on the speaker, to create the illusion that this was an informal group engaged in some intent discussion of agency building.

Mr. Cummings opened the day with announcing the appointment of the nominating committee, consisting of R. M. White, Jefferson Standard, Dallas, chairman; E. W. Owen, Sun Life, Detroit; S. P. Davis, Phoenix Mutual, New York; Phil O. Works, Penn Mutual, St. Louis, and Alex Dewar, Equitable Society, Los Angeles.

### Day Introduces Speakers

C. C. Day, Pacific Mutual, Oklahoma City, chairman of the program committee, introduced the scheduled panel speakers, giving an historical sketch of each. They were:

John H. Jamison, Sales Research Bureau.

Ricks Strong, John Hancock Mutual Dallas.

(CONTINUED ON PAGE 36)

## LEAD DISCUSSIONS AT MANAGERS' SESSIONS



**JOHN H. JAMISON**  
Sales Research Bureau



**RICKS STRONG, Dallas**  
John Hancock Mutual



**C. C. DAY, Oklahoma City**  
Program Chairman



## More People Hit By Tax as Limits Are Made Lower

### Estate Shrinkage Is Simplest Approach to Motivation of Life Insurance Purchase

Burt H. Wulfekoetter, Massachusetts Mutual, Cincinnati, urged considering taxation solely as a motivating influence, in discussing its relation to life insurance at the Million Dollar Round Table.

"Each man faces the difficulty, of course, that his conclusions may be rudely overridden by the taxing authorities, or changed overnight by some new construction of a previous decision on an old revenue act," he said. "We must bear in mind that the law, as set forth in the revenue acts, is too frequently not administered but rather construed by ever-changing regulations.

"There are many theories of taxation and bases of apportionment. But by far the most popular political basis (which after all guides the final decision) is that which will produce the greatest revenue in the easiest manner with a minimum of resistance. This has been most aptly expressed by a French statesman who said, 'Taxation is the art of plucking the goose with the least squawk.'

#### Client's "Squawk" Motivating Force

"While our position professionally demands that we be properly equipped to minimize legitimately the life and death duties of our clients, our greatest motivating influence will be readily found in the personal 'squawk' of our client—or, to put it more tersely, to be able, if possible, to reduce or remove the tax burden to which the client makes the most violent objection or to offer a method which permits him to carry out his plans more advantageously.

"In many cases, however, despite public tax consciousness, a condition of satisfaction with existing estate conditions may be encountered; but your well-equipped underwriter, by his ability unobtrusively to direct the prospect's attention to certain overlooked problems and to give him a knowledge of what other men in similar situations are doing, will soon develop interest and crystallize a motivating influence.

"I hold no brief for the sale of life insurance merely to avoid taxation, but I prefer to discuss taxation with my clients in such a manner that they cannot avoid buying life insurance. This, then, I regard as the main purpose of my discussion of taxation—here or in the offices of our clients.

"Your field is, of course, limited to those who pay direct taxes. But the number affected by direct taxes will constantly increase as the basis of taxation is broadened by lower exemption, as it inevitably must be.

#### Anticipate Estate Shrinkage

"First and simplest of taxation approaches is the suggestion to anticipate and discount necessary estate shrinkage. Client A, the father of two of my clients, had built an estate in sound real estate investments, but kept all surplus so invested, resulting in a non-liquid position. He had never bought life insurance and would grant no interview. I suggested to the sons that their first act as heirs would be a destructive, forced sale at perhaps an inopportune time, and that to avoid this their father might start a tax-anticipation fund, 'putting by' convenient installments each year. I offered my services to assist in a tax appraisal to determine the necessary installments.

"I received a phone call requesting an interview, in which, after a brief discussion, I was frankly told my sug-

gestion was appreciated, but my motives doubted. In other words, I was asked: 'Why should you suggest and make a tax appraisal?' I first asked whether 1/20 of the necessary taxes each year would seem excessive. This was readily agreed to, but the question above repeated again. I then replied that I represented an institution which would assume the unpaid balance of installments upon death. With a single remark of 'Good Lord, can I insure that?' I was told to send the doctor, without having explained that 1/20 (or 5 per cent) of the necessary taxes was merely the premium rate at his age. The tax appraisal later determined the size of the application.

#### Tax Anticipation Fund Plan

"From this case developed an idea which I have used with enough success to know that it has sales appeal. I call it 'Tax Anticipation Fund, with Payments During Life Expectancy.' (A tabulation prepared by Mr. Wulfekoetter is shown below on this page.) It consists of comparing the estate value of a life insurance contract, obtainable for a given amount of premium, with the annual investment of the same amount as the premium—assuming a return as high as 3 per cent compounded—can be obtained net after taxation. The estate value of the insurance is first compared to the sum of total deposits on a percentage basis; then the total which would be in the investment fund is likewise compared to total deposits.

"For example, taking the case of Client B, at age 55, a premium deposit of \$5,693 would purchase \$100,000 ordinary life. If death occurred during the first year, the estate value would be \$100,000 plus a post-mortem dividend—the total being 1,766 per cent of the original deposit. The same amount placed in the investment fund would merely increase by interest to 103 per cent of the deposit at the end of the first year.

"Proceeding in a like manner, at the end of the fifth year, the death or estate value of the insurance contract would be \$103,262 (including dividend accumulations), which is a return of 363 per cent of all deposits. The investment accumulation fund has grown to \$31,133, which is 109.3 per cent of the total deposits.

#### Results at End of 10 Years

"At the end of 10 years, the comparison is 190 per cent for the insurance estate return as compared to 118.1 per cent for the investment method. At the end of 15 years, it is 134 per cent as against 127.7 per cent. Finally, at the end of the 16th year, the

amount in the investment fund at 3 per cent exceeds the insurance estate return. But your American experience table of mortality shows an expectation at age 55 of 17.4 years. Hence, only after having lived for almost entire expectancy would the insurance method result in less than a 3 per cent compound return to the estate, while the earlier years show almost unbelievable returns.

"Care should be taken to point out that results are estate (or death) values and not surrender values. Results will generally come within a year of expectancy, as given in the mortality table.

"If existing insurance does not total the \$40,000 exemption permitted under estate tax regulations, this is now brought up as additional and conclusive evidence of tax savings. If such exemption has already been exceeded, then the use of a proposer application is suggested with the insured merely being the life at risk, and his wife or interested beneficiary being applicant-owner. Proceeds will not appear in the insured's estate, and the transmitted estate again benefits by considerable tax savings. Motivation through taxation is still the watchword.

"As a further enlargement on the above, a careful check on your clients in the taxable group will often reveal to you possible sales based solely on owning the \$40,000 permitted under existing estate tax regulations, tax free where beneficiaries are named. Do not overlook the wives in such a check of clients.

#### Closely-Held Family Concerns

"Next in motivating influences comes the case of Client C, whose case can be applied in many closely-held family corporations or family partnerships. This is merely a case of where the value of interests may be highly appraised and taxed if transmitted by testamentary bequest; but, by contractual agreement at a definite price through a buy-and-sell contract made binding by the signed consent of the interested parties, the value will be fixed for estate purposes. The attorney for the client should be consulted throughout the entire development of sale and final execution of agreement—It naturally being understood that insurance contracts will be sold as the means of furnishing the cash for purchase at the agreed price. This particular case, by virtue of a death claim, passed the test of both taxing and probate authorities.

"The last case which time permits—that of Client D—is an unusual reverse

(CONTINUED ON PAGE 35)

## Only Slight Gain In Membership for Year Is Reported

### Representatives of Associations Which Made Outstanding Increases Tell How They Did It

The membership committee was in doubt up to the very last minute as to whether it would be able to show an increase in membership this year, but finally scraped through with an increase of 69, or about .3 of 1 per cent. C. J. Zimmerman, Connecticut Mutual, Chicago, said in reporting to the National council Monday as chairman of that committee.

The committee realized at the outset that it was going to have a difficult task, Mr. Zimmerman said. A notable increase was made last year, an especial drive having been made in New England because of the fact that the convention was being held there. It was realized that the section in which Denver is situated could not, because of its limitations in population, equal the New England record.

#### Hit by Floods, Labor Trouble

Furthermore, there were in many sections serious labor disturbances and flood conditions which could not help having an adverse effect on membership in those areas. However, the possibility of rising above circumstances is shown by the outstanding membership records made by Louisville, Cincinnati, Cleveland and other cities in the flood or industrially disturbed areas.

Detailed comparative figures were given in the report for the 14 districts into which the country was divided, further subdivided by states.

Mr. Zimmerman urged a study by future administrations of the problem involved in the comparatively large lapse in old membership. Lapse of membership is as costly to the local, state and National association, he said, as is the lapse of life insurance to the agent, the general agent or manager, and home office.

#### Leading Associations Listed

He listed the ten leading associations nationally, headed by Scranton, Pa., which won the Charles Jerome Edwards Trophy, as already announced, and the winners of cups in each of the 14 districts. He then called on officials of local associations which had made outstanding membership records to tell how they did it, carrying out the hook-up of his report with the discussion of local association activities, as was done in several other cases. He said that some local associations seem to have no real membership program whatever, in some cases even failing to send out bills for dues. In contrast with that condition, he offered the experience of associations which have shown that they could do the job and do it right.

Phineas Prouty, Jr., Massachusetts Mutual, Los Angeles, president last year of the association there, which increased its membership from 279 to 452, said it had planned certain activities and needed revenues to carry them out, which could be obtained only through membership dues. It decided to make the association indispensable to its members.

It was found that the methods formerly used in collecting dues had resulted in difficulties in making collections, so a new system was adopted. All the managers in the association were put on the membership committee. The annual dues of \$12 had to be paid in advance. If a member didn't have the money, his manager would pay it, and take it out of his renewals. Delinquents were allowed only 10 days from the time their dues came due.

(CONTINUED ON PAGE 35)

## TAX ANTICIPATION FUND

### With Payments During Life Expectancy—Age 55

I. By immediate creation of necessary amount through payment of premium on \$100,000 life insurance.

II. By investing annually similar amounts, assuming that a return as high as 3 per cent compounded can be obtained net after taxation.

End of Year	Total Deposits	Insurance Death Value	Div. Accum. Return*	—METHOD I—		—METHOD II—	
				Total Estate Value	Percent of Total Deposits	Amount Accumulated	Percent of Total Deposits
1-----	\$ 5,693	\$100,000	\$ 557	\$100,557	1766	\$ 5,864	103.0
2-----	11,386	100,000	1,157	101,157	888	11,904	104.5
3-----	17,079	100,000	1,805	101,805	596	18,126	106.1
4-----	22,772	100,000	2,506	102,506	450	24,533	107.7
5-----	28,465	100,000	3,262	103,262	363	31,133	109.3
6-----	34,158	100,000	4,074	104,074	305	37,931	111.0
7-----	39,851	100,000	4,949	104,949	268	44,933	112.7
8-----	45,544	100,000	5,889	105,889	232	52,145	114.5
9-----	51,237	100,000	6,898	106,898	209	59,573	116.2
10-----	56,930	100,000	7,981	107,981	190	67,224	118.1
11-----	62,623	100,000	9,142	109,142	174	75,105	119.9
12-----	68,316	100,000	10,385	110,385	162	83,222	121.8
13-----	74,009	100,000	11,710	111,710	151	91,582	123.7
14-----	79,702	100,000	13,122	113,122	142	100,193	125.7
15-----	85,395	100,000	14,623	114,623	134	109,062	127.7
16-----	91,088	100,000	16,287	116,287	128	118,199	129.7

\*Based on 1937 schedule and interest rate. Not guaranteed.

NOTE: Rate of interest, not after taxation, may be modified so as to make results under Method I be exceeded by Method II only after expiration of exact number of years of expectancy.



# "Millionaires" Tell How They Do It

## Tax Angle Is Used With Good Effect In Closing Cases

Specific Instances Cited in Talks at the Million Dollar Round Table Session

The question of taxes and the use of the tax angle in selling life insurance was one of the big topics at the Million Dollar Round Table session, with three speakers on that subject.

E. J. Dore of Detroit, much of whose business is obtained around certain tax ideas, said his talk would not be specifically on taxes, but told of a few of his cases which bring in the tax angle.

"My most interesting case of the year—the most interesting to me because it was my biggest—was secured primarily through the gift tax idea," Mr. Dore said. "My client, to whom I had sold substantial amounts of insurance previously, receives a large income from a trust set up by his father under which he is co-trustee with a trust company. I advanced the idea to him that it would be a wonderful thing if he would create an estate from his own funds and provide for his wife and children after his death in a manner similar to what his father had provided for him, by setting up a tax-free, income-producing estate for his family on which they could absolutely rely, on which the income would be automatic, certain and continuous, and from which managerial care would be eliminated."

### Could Set Up Estate

"Understand, this man had never actually been in a position to create an estate from his own efforts, due to the fact that the managerial care of the trust took all of his business time. Inasmuch as his income was very large, he could take a portion of that income, without it being a burden to himself or his family, and set up an irrevocable life insurance estate for his wife and four children by availing himself of the \$5,000 annual gift tax exemption for each of them. This involved the purchase of a considerable sum of life insurance."

"This is the program as it was finally worked out. He retained control of \$40,000 of life insurance, which is the specific life insurance exemption, and this \$40,000 was made payable in cash for adjustment purposes and expenses incidental to his death."

"Incidents of ownership on insurance calling for an annual premium of \$5,000 a year were transferred to his wife. The insurance provides for payment at his death to his wife under the interest income option with certain withdrawal privileges for contingencies, and at her death the interest income is to continue to their children. His son is to have the right of withdrawal of one-third of his share of the principal at age 25, one-third at 30 and the balance at age 35, and his daughters have the right of withdrawal of one-half at 40 and the balance at 45. The issue of his children are provided for. The agreements provide that in the event of his wife's death during his lifetime, the incidents of ownership will transfer automatically to his four children, jointly."

### Provision Made for Children

"In addition, incidents of ownership on insurance calling for a premium of a

(CONTINUED ON PAGE 31)

## In Prospecting, Give Client Name Instead of Asking It

By LOUIS BEHR  
Equitable of New York, Chicago

(This unusual development of the "endless chain" idea in prospecting was presented by Mr. Behr in his talk at the Million Dollar Round Table.)

The manner in which I prospect is the same old center of influence and chain method we hear year in and year out. Everything I have read resolved itself to modifications of some center of influence or chain method.

About seven years ago, I heard of an agent who sent each day an excellent letter to five people selected from a "Who's Who" and other lists of prominent people in Chicago. He followed them up the next day, and by this method interested 125 people each year in over \$1,000,000 of life insurance. I secured a copy of that letter, purchased an excellent list of names, followed them up as religiously as the man who taught me the system, and failed miserably. I discarded the method in one month. The agent I spoke of is still selling over a million a year, using primarily the same method.

### Other Methods Unsatisfactory

I heard of an agent who prospected over the phone and sold a million a year. He gave me a copy of his "canned" sales talk. I tried his system for two hours a day for two weeks and failed after expert coaching from the man who knew him. He is still using that same method and sells a substantial volume each year.

I heard of an agent who sent out 10,000 mailing pieces in a year to prospects. After following up the replies, he sold over a million in one year. I was either too lazy or the method was too expensive, so I don't know how I would have fared.

### Prospects for His Clients

I heard of an agent who sells from 12 to 20 cases each year for a volume of over a million. I did not want to have high blood pressure, so I did not

try his method, although the idea appealed to me very strongly.

I read of several agents who sold over a million a year who used the center of influence and the chain method of prospecting. I tried it and it worked for me. As a result, I have been able to accelerate my prospecting through the chain method in the following manner:

First, I have discovered that serving my immediate prospects and my clients properly, even though the majority of the service does not lead to immediate business, is my most potent manner of prospecting. It is the old story of one satisfied customer leading me to another. However, in order to accelerate or improve my prospecting from referred or enthusiastic clients, I actually prospect for them! I don't believe I am conceited when I say I know the qualifications of a good prospect better than my center of influence. Therefore, instead of asking my center of influence for a name for which he will have to think and wrestle and ultimately give me a name that might not be a good prospect, I usually give him a name!

### Asks About Man's Other Friends

For example, I program Mr. Beyer's policies and after I have completed everything to his satisfaction, somewhere in the last interview I ask Mr. Beyer for a name of a friend. He suggests, after considerable thought, that I see Mr. Prospect, whereupon I ask Mr. Buyer a great many questions about the man he suggested, so as to qualify him for some type of insurance service. In addition, I ask Mr. Buyer who Mr. Prospect's friends are besides himself. Whom else does Mr. Prospect pal around with? Mr. Buyer says that although he sees Mr. Prospect quite often, Mr. Prospect pals around with X, Y, and Z. I ask Mr. Buyer if X, Y, and Z are as well off as Mr. Prospect, whereupon I secure additional information, such as that X has a brother in the life insurance business, Y is a sick

(CONTINUED ON PAGE 30)

## Jack Lauer Named As Head of Next Year's Round Table

Sanborn and Mosler on Executive Committee—Million Dollar Producers Swap Sales Ideas.

The election of Jack Lauer of Cincinnati as chairman for the coming year, with Paul C. Sanborn, general agent Connecticut Mutual, Boston, and H. G. Mosler, Massachusetts Mutual, Los Angeles, as his associates on the executive committee, and a lively discussion of the basis of equal qualification for future years featured the 1937 meeting of the Million Dollar Round Table. While the attendance was not as large as at some previous meetings, the session was most enthusiastic and the material presented was as of as high quality, probably more effective in some cases because the program was organized on a different basis. Discussions on various topics were opened with a series of ten-minute talks, after which the discussion was thrown open in a general forum, which gave opportunity for general expression of views and experiences.

### Would Eliminate Overlapping

The discussion of the basis of qualification hinged on the fact that under the rules heretofore it was possible to qualify by production in any 12 consecutive months, which need not be the same in succeeding years. This made it possible to use a particularly good month or two for qualification in two different years.

It was decided that for 1938 the qualification could be for any 12 months prior to Aug. 1 of next year, but not running back of the end of the previous qualifying year. That went through without opposition, but a further proposal that for 1939 and thereafter qualification should be for the calendar year aroused considerable opposition. The argument was advanced that company club years were not usually synonymous with the calendar year and also that if a man were kept out of production for two or three months by illness or some other cause, he should have the privilege of starting in when he returned to work, instead of being put out of the running for that year. It was also suggested that men qualifying for the first time this year might be unable to complete the three consecutive years necessary for life membership if the new arrangement were put into effect in 1939.

### Solution Left to Committee

It finally was decided to leave the solution of this question to a committee with power to act, consisting of the former chairmen and four to be named by Chairman Taggart. He named as his appointees A. J. Ostheimer, 3rd, Philadelphia; Louis Behr, Equitable of New York, Chicago; Ron Stever, Equitable, Pasadena, Cal.; and John O. Todd, Northwestern Mutual, Minneapolis.

The organization of the round table so far has been on a very loose and informal basis, and it was decided that a regular set of by-laws should be adopted. Roger B. Hull, general counsel National association, will be asked to prepare the formal draft of these by-laws, with the assistance of a committee composed of Grant Taggart, this year's chairman; George E. Lackey, former chairman, and the new executive committee. It was also voted that the dues hereafter shall be not less

(CONTINUED ON PAGE 37)

## Head Millionaires' Group



JACK LAUER, Cincinnati  
New Round Table Chairman



GRANT TAGGART, Cowley, Wyo.  
Retiring Chairman



# Group Method of Prospecting Found Successful

By VERA S. REYNOLDS

(Miss Reynolds gave this talk at the Women's Division meeting. She is located in the Continental Casualty Chicago branch, but has a life contract with Equitable Life of New York.)

Prospecting is the heart of our business. Some people know the business well, but if they have not many people to whom to present their service, they may as well not know it. General agents receive more criticism from their agents for not giving them leads than for any other reason. In 16 years I have never received a half dozen leads from my agency, and I have written policies for only three. It is not the place of agency executives to give leads, but rather to show their agents how to develop their own prospecting systems.

A person should know what field he is going to prospect before he goes into the business. We all know the person who does well his first year in the business, until he has written all his relatives, and then slumps.

Every person I meet is not my prospect. I see people every day whom I could never approach on insurance. I have always had so many more prospects than I could possibly approach that I woke to the fact that I was wasteful of prospects, and that I needed to conserve. I had fallen into the habit of thought, "If I miss this one, there are plenty more," and I began trying not to miss a possibility of approach and to carry each approach through until I knew that I had done the last thing I could do to deliver to that person the kind of security he needed. When one really comes to this attitude, it is amazing how many people whom one meets are prospects. It is interesting to see how one can develop finesse in bringing these prospects into interviews without violating the social or business amenities. It is a game in psychology.

## Need Definite System

I believe that we should have a more definite system of prospecting than this and supplement that system with the prospects that we meet every day.

Our life is so organized that everyone fits into some group. It may be an industrial or vocational group, social group, locality group. I believe prospecting can be best done by groups. My prospecting has been done in a vocational group. A vocational group might be lawyers, teachers, doctors, engineers. Attempt to cover your group thoroughly. Arrange your prospect lists with addresses and phone numbers from a professional directory or from the classified directory, and you will never want for prospects. This working in the dark will not last long; you will soon begin to learn things about your prospects. This system will combine several prospecting methods; it has an element of cold canvass, but I make all my appointments by telephone. You will not go far with this system without developing the endless chain methods.

## Cultivated Neighborhood Group

One successful insurance man develop his business in the evenings, before he gave up his former job. He made his prospect list from his own neighborhood in Chicago. He spent certain evenings telephoning those on his list, saying he lived in the neighborhood and was in the insurance business and would like to call some evening, get acquainted and talk insurance. He called on the evenings that he did not telephone.

There is a successful woman in Chicago who has a splendid clientele in

one of the largest Hebrew congregations. The people of that church think of her as their insurance counsellor.

Our companies offer us marvelous aid for prospecting in their group and salary savings service, which gives a homogeneous group. A unit manager could open several such cases and put his newer agents on them. But better still, we can open our own salary savings cases and develop them ourselves. The advantages of group prospecting are:

We need never be at a loss for a place to go or someone to telephone, because our list is so long.

## Become Part of the Group

We get the feel of a certain group. Some of their interests and problems will be in common, and we come to be a part of that group.

The people in the group know each other to some extent, and they will pass on your reputation and service to one another.

It is easier to build prestige in a group. None of us can impress herself upon a big city, although we can impress ourselves upon a group or upon a locality in a big city.

It would seem to me that no one would try to do any kind of business without records. I have a card for each prospect, with name, address, phone number, and information about his business at the top. On that card goes the date and content of every telephone call, interview, letter, or piece of publicity sent. I always mention the personal things I have learned about the prospect or that we have talked about in the interview. About twice a year I take cards from my general file and put into my current file, which is arranged by months and, for the current month, by weeks. Then there is a dead file into which I discard cards of hopeless prospects.

## Keeps Complete List

I keep lists of all my phone calls and interviews and closed cases for each month, so I know at a glance each month's business, in cases, volume, premiums, commissions and renewals. I also know how much each call that I have made is worth to me in dollars. If you should find that every call paid you \$4, wouldn't that be an incentive for you to make five calls a day? But to get this, or any average, you must make five calls per day, five days per week, four weeks per month, at least nine or ten months per year.

If an agent cannot get a good average after a year or two of consistent, systematic work, he is in the wrong business.

One legitimate and effective motive is to earn a good income. An equally effective motive is that one knows he has a service to render. I believe that we can get as intimately into the lives of our clients as doctors do. If they trust us, they unburden to us, and since money or the lack of it has so much to do with happiness and unhappiness, we are in a place of trust and therefore of obligation and privilege. If you know that you always give honest and competent service, you have a right to offer your service over that of the average agent, and you need not feel modest hesitancy in your prospecting.

## Agent Has Advantage

Custom has given us an advantage over most professional people. A doctor or lawyer cannot do active advertising, but custom allows us to go out and make clients of those whom we desire to serve.

You must have the conviction that you are offering your prospects something that they need tremendously and a service that you can render better

than the average agent. To be saturated with this conviction makes for success.

Don't let prospecting be a haphazard matter. Work out, thoughtfully and resourcefully, a system for yourself and perfect it.

Be conscious all the time that you are prospecting, that you are building a clientele with whom you will be the last word on insurance matters, and upon whom your influence will be important, and whom you will serve for many years and in many ways.

Prospecting is not a disagreeable grind. It is the heart and the joy of our business.

## Life and Accident-Health Called Complementary Lines

The inter-relation of life insurance and accident and health insurance was stressed by C. Edwin White, assistant vice-president Continental Assurance and superintendent of agents commercial accident department Continental casualty, in a talk at the special luncheon given Monday by the Denver Accident & Health Association for those attending the National association meeting who are also interested in life insurance.

Mr. White, who by reason of his dual position has an equal interest in both lines, said that accident and health insurance is admittedly income protection and in his opinion life insurance is also, or should be, income protection. The insurance needs of a man with a family should be measured in income terms. In the case of his death, his family loses the income it would have had if he had lived. Selling life insurance on the income basis, he said, means more sales and in greater amounts.

A man may be sold a policy which is represented as guaranteeing him an income at age 60 or 65. "But what if accident or illness intervenes?" Mr. White asked. "Even if he has the waiver of premium, who is going to feed his family? He either has to borrow on his policy or surrender it for its cash value and eventually it lapses. Then where is his income at age 60?"

He held that the two lines of insurance are really one and that every agent selling either one should sell both.

Rex B. West of the Miller-West Agency Co., president of the Denver association, presided at the luncheon. A. M. Holtzman, Colorado Life, Denver, president National Accident & Health Association, and George L. Dyer, Jr., Columbian National Life, St. Louis, a member of its executive committee, spoke for that organization. Charles H. Davis, Pacific Mutual Life, Chicago, gave a sales demonstration on the medical reimbursement policy. Other company executives in attendance were Fran E. Harrold, superintendent of agents Continental Assurance, and Walter R. Hoeflin, western agency supervisor Pacific Mutual. Six cities in addition to Denver were represented at the luncheon.

## Mansur Oakes Is Missed

Mansur Oakes, consultant to the National association, was missed at Denver. He has been a faithful convention-goer for many years. He has been in failing health since last February and about two months ago disposed of his interest in the Research & Review of Indianapolis to Paul Speicher. Mr. Oakes' resignation as field consultant of the National association was announced at this meeting. In accepting it the trustees adopted a resolution expressing their appreciation of the service he has rendered.



**SURREALIST INTERPRETATION**—Outstanding among star salesmen, the eyes of the life insurance world are on Grant Taggart who comes from a Wyoming town of eight hundred souls to Championship of the Million Dollar Round Table. Looming large in the West which it serves, his company—California-Western States Life—is proud to acknowledge and add to the applause which his phenomenal 23-year career of service has evoked.



1st Day



## Survey Illuminates Sources and Selection Of Agents

(CONTINUED FROM PAGE 7)

od of compensation, or low initial earnings. Many did not want selling jobs, and others objected to selling life insurance particularly. Almost one-half of those who did contract said the prestige of the business, company, manager, and service to the public motivated them to come into the business, while one-quarter said outside, independent, sociable work. One-quarter said earnings were commensurate with results, future possibilities greater.

While 40 per cent of those interviewed were young college graduates, and the per cent contracted was not much lower than of college graduates, they were a little harder to sell the job, as they refused a contract much more often than the non-college graduate.

### Age and Experience

One-third of the men contracted were over 40, while only one-fifth of the men interviewed were over 40. Three-quarters of the men contracted were financed. The seriousness of the recruiting problem is indicated when you examine the previous occupations of those contracted. Forty per cent had had previous life insurance experience and only 20 per cent had had outside selling experience of any kind.

In the space of six months covered by this survey, 14 per cent of those contracted are known to be already out of the business.

In January of this year the Bureau hired some men to act as prospective agents and report on a questionnaire as much of the actual conversation as they could remember and what their impressions and reactions were. They answered an "ad," had heard about the company and walked in to talk to the manager or were sent by some policyholder, etc.

One interviewed was offered a contract within two minutes of entering the office. Only two managers of the thirty-eight interviewed asked to interview the man's wife.

### Get Experience Elsewhere

One manager said: "A great many come into the life business with other companies while they are learning the business and then they come with us to get larger commissions. You see, the average company pays from 25 per cent to 30 per cent, and we pay 55 per cent."

Quoting another manager: "You can enroll in our course of training, a new one begins next month. The course runs two weeks, from 9 to 12 daily. However, it isn't necessary to take this course. I could talk to you an hour today and an hour tomorrow and you would then know enough to go out and sell."

We asked our interviewers to answer this question, "If you are going into the insurance business, would you want to work in this agency?" Out of the men who had the 38 interviews 10 said they would definitely not want to work in that agency and one more said it was quite doubtful.

### Personality of Managers

We asked them to give their impressions of the managers' personality. The managers who were pleasant, courteous, intelligent, enthusiastic and sincere attracted the interviewers and the managers they did not like impressed them as loud, egotistical, talked too much, and dull and uninteresting.

Of the 12 investigators, one actually went into the business.

This matter of source of agents is a part of the induction process that seems to us to be largely overlooked by managers. This process of recruiting is practically identical to the

## Lobby Snaps of Conventioneers



Top row (left to right)—James Godard, Franklin Life, Denver; (inset) Charles Jolly, assistant manager Prudential, Denver; M. L. Hoffman, assistant manager National association; W. V. Woody, Equitable Society, Chicago; Homer Rogers, Equitable Society, Indianapolis; Ernest Crane, Northwestern Mutual, Indianapolis. Bottom row—J. M. Cunningham, Jr., National Life, Denver; Guy E. Hobson, Connecticut Mutual, Denver; T. M. Riehle, Equitable Society, New York, president National association; (inset) Mrs. W. L. Baldwin, wife of the superintendent of agencies of Union Mutual Life of Maine, and Harry T. Wright, Equitable Society, Chicago.

agent's job in selling. The biggest part of the job is prospecting.

A general agent is looking for a man who needs a job, who is dissatisfied with his present position, who can pass his selection standards, who has enough money to carry him at least a few months, and is the sort of fellow whom he can live with and who will take directions from him. The biggest factor in a manager's success in inducing new men is his ability to prospect for this kind of man. We use the expression, "These men are predisposed to the life insurance business." Men come into this business largely for one of two reasons. They are young men who come into this business right out of college or shortly after college on a career basis, and older men who are economically disturbed where they are. Usually There is a Reason

Very few men give up a fine position with a fine salary and a fine future to come into the life insurance business. With the exception of young men, most life insurance recruits have had something happen to them or they find themselves in the blind-alley job. If you agree with this, then it tremendously simplifies the prospecting job.

"Look for the man in a blind-alley job," we say. But that is so general that the general agent isn't helped. We are looking for men who are not failures, but who are apt to be dissatisfied with their present positions. Take a department head in a family-owned company, 37 years old and has been with this company for 13 years, doing well, and all of a sudden the president's son graduates from Princeton, comes in and starts in the shipping room and is there three months and is elected vice president and the department head realizes there is no future in that company for him. There is an illustration of a good man who is economically disturbed.

Take a small proprietor. He has apparently been successful enough to save some money to give some capital to start in business. He has initiative and imagination. However, practically all small proprietors fall.

A great many industrial companies hire large groups of college men who

are pretty much the pick of their class. As time goes on there is a sifting out of these men as there aren't enough good jobs to hold ambitious men. In this group who have been out of college some 10 years are men who are economically disturbed.

You have good men who are in disturbed occupations—the bond men in 1930, the silk business some years ago, the ice business when electric refrigeration came in, etc.

Companies that are moving out of your town have men who are economically disturbed. When United States Rubber moved out of Hartford, one general agent got a list of the men in its employ who had been making over \$2,500 a year and who owned their own homes and who probably would not want to leave the city. In a merger, there is apt to be a squeezing out of the junior executives.

### Salesmen Do Well

We made a survey of the men in one company who had paid for between \$150,000 and \$300,000. One-third had been salesmen before coming into the business. A survey of the 1935 Million Dollar Round Table showed that one-third previously had been salesmen. Other studies confirm the fact that salesmen, particularly specialty salesmen, do well in the life insurance business.

One manager asked professional men if someone had sold them something within the last six months who stood out as a good salesman. You can watch the newspapers for publicity about salesmen, you can have salesmen address your sales meetings, etc.

This conception of the prospecting job of a general agent eliminates the loose thinking about recruiting and definitizes his job, particularly if he will take these classifications we have talked about and add others and under each classification put down the actual name of the company in his territory. For instance, list as a heading "junior executives in a family-owned company" and under it list the actual names of those family-owned companies in your territory, and so on with the others.

It will help also in soliciting the help of nominators. You can ask the center

of influence leading questions about these various classifications.

Young men right out of college or shortly after they graduate, who can be interested in life insurance selling as a career are being used increasingly by managers as sources of prospective agents. A much greater percentage of the college graduates eliminated the possibilities of life insurance selling themselves, which would indicate that managers are not doing as good a job of presenting the business to themselves as they should or that they are harder to sell.

### Recruiting Younger Men

Other Bureau studies would indicate, however, that there is a distinct trend toward recruiting younger men. Two companies are building agencies in New York largely with men under 30 years of age.

Northwestern Mutual took all the men that their general agents hired in 1929 right out of college, a total of 165 men, then followed these men through, month by month.

At the end of the first year 70 per cent were still under contract, at the end of the second year 45 per cent were still under contract, third year 42 per cent, fourth year 39 per cent, fifth year 34 per cent.

The production of the men who remained at the end of each year was as follows: One year \$44,700, two years \$52,000, three years \$80,000, four \$88,000, five \$99,800.

### Mid-Western Universities

This left a group of 55 men with an average age of 26 who were producing at the rate of \$100,000 each per year. This was so much better than any other group they had studied that they decided to make a field study of the mid-western universities. In each college there was a great amount of interest among the selling type in the graduating class. They encountered several men who had already decided to enter life insurance selling. The majority of these men said their families would be able to carry them for the first six months.

One company discovered that in 1936, 60 per cent of the quarter-million-and-up producers had come into the business under 30 years of age, while in 1930 the figure was only 52 per cent.

While you get a better prospect from this source and it is apt to be an excellent source of prospective general agents, and such men have a tendency to raise the general tone and enthusiasm of the agency, the production for the first few years is apt to be quite low, and the younger men need much closer supervision. Not all managers can induct and supervise such young men. The man who is successful with these young men is the leader type, who has patience and a sense of humor and who will see to it that they get the same sort of discipline they would if they were taken into any other business. Surveys indicate that the man who has worked his way through college on the average is not so apt to be as good a prospect as those who have not. He is apt to be in debt and will have to be financed and the work that he has had to do while he was in college may have kept him out of extracurricular activities which have a tendency to broaden him and give him better social contact among his classmates.

### Established Agents

After we get these prospective agents into the office, it is important to determine whether they are good material.

Our recruiting survey shows that of 100 men contracted, only 27 are still under contract at the end of two years, and only 5 of the 100 pay for \$100,000 in either their first or second year. Of the 27 men who remained, the average annual production is only \$56,000. Each agent thus earns about \$56 a



1st Day

month. What about the earnings of established agents?

A sample year's production during the third to the fifth contract year shows that 73 per cent of the established agents are paying for less than \$100,000. A good share of the results are due to inadequate selection standards. In one company which followed a strict selection plan, new agents produced \$20,000 in their first quarter compared with about \$7,500 for a group of other companies.

Scientific selection procedures are no radical departure from the manager's present activities. They merely substitute more accuracy for rule of thumb.

#### Measurable Characteristics

There are certain definite measurable characteristics of a prospective agent—such items as age, previous income, life insurance, marital status, previous occupation, etc. You may feel that you cannot assign numerical scores to these items, but if you will analyze your own agency you will find a significant relationship between, for example, previous income and subsequent production.

The important thing is not whether you think numerical scores can be assigned to personal history items. The important thing is whether it can be demonstrated that such scores will aid in predicting success in the business.

Take the chart of the Guardian Life based on seven factors, which they found by experiment to be related to production. High scorers produced three times as much as low scorers. We chose the Guardian chart to make a test to see if it had gained applicability. In a sample of several hundred agents from 11 Canadian companies, we found the ratio between those who scored high on the chart and those who scored low on the chart was again 3 to 1. This chart shows a top score of 20, ranging down to 12, and, on the average, not only did the production vary 3 to 1 between the low and high scorers, but it also varied for each particular classification.

#### Phoenix Mutual Rating Scale

The Bureau collaborated this past year with Phoenix Mutual on a new rating scale. Twenty-one personal history factors were tested on a sample of 1,799 agents. Turnover as well as production was included. The finished report includes only 10 factors out of the 21 studied.

The scores are classified high, borderline, and low. Those 963 who remained a year and who got a rating of high on this chart averaged \$118,000 of business their first year; borderline group, \$88,000; and low, \$66,000. Of those in the high group, 41 per cent remained two full years; the borderline group 32 per cent, and the low group 22 per cent.

The Bureau is working on a rating chart for the industry by getting the personal history items and production records of approximately 10,000 agents who were hired during 1933, 1934, and 1935. This chart will be available in November.

#### Intangible Characteristics

If you had a prospective agent who is an accountant, 35 years old, making \$5,500 a year, married with two children, and had two jobs in the last five years, with \$15,000 of life insurance, you would want to know a lot more about him before you hired him—whether he was ambitious, had initiative, imagination, etc. Such factors are intangibly personality characteristics and are much harder to measure. However, they are important.

Various tests have been devised to measure these personality characteristics. Some people put faith in such things as phrenology which has been thoroughly discredited. We feel that these tests have never been proved experimentally and hence represent opinions.

We have a test called the personnel blank for over four years and have been experimenting with it quietly among established agents in the middle west. About half the material in the original test has been discarded, because of low correlation with success in life insurance selling. The test in its present form, however, shows a remarkably high correlation between the score and success among these established agents. We have been experimenting this past year on agents. The agent is given the test, thinking that it is one of the qualifications for admittance to the agency, but, as a matter of fact, it is not because no scores have been released even to the managers who have given the test. We have been getting the production records of these men and the results are promising. The test given to the members of last year's Million Dollar Round Table and to 66 managers who attended our two-week school in agency management, and in both cases the scores were materially higher than the new agents who had taken the test. If we continue to find it satisfactory, it will also be released in November.

Our ability to select agents successfully will be tremendously improved if

we just use our God-given common sense.

We are convinced that managers do not do a better job of selection today with the tools which they now have because they do not take the subject seriously. This is probably because they do not have enough men to select from. The stricter your selection standards are, the more pressure it puts on the manager to have a recruiting plan which is bringing a sufficient number of men to his office in order for him to make any selection. All managers want better men, but men they must have.

A rating scale is a powerful recruiting document. An explanation of how careful you are about the man you add to your organization makes an excellent story to a center of influence, and because a manager by the constant use of a rating scale gets so he can do it almost in mental arithmetic, he gets so that he can quickly eliminate in the first interview the men who are not worth the effort.

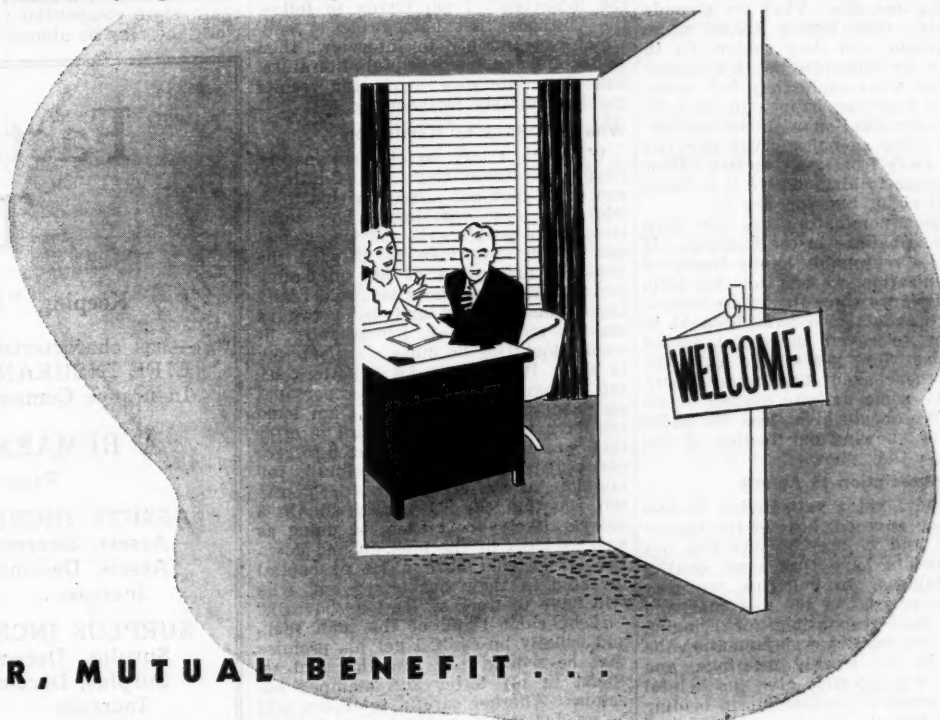
It costs a lot of money to bring men into this business. The manager who will take the whole selection problem seriously will use common sense—have

at least three other men interview the prospective agent, get an inspection report on him, a personal history blank, judgment record, and go out personally to talk with his references. With the aid of a selection chart and a personnel blank for measuring intangible personality characteristics, he can tremendously improve the caliber of men who come into his agency. Only harm results from the practice of bringing them in the front door and letting them out the back door.

#### Dingle, Braunig at Troutdale

J. H. Dingle, Massachusetts Mutual Chicago general agent, and his new chief assistant, J. S. Braunig, arrived in Denver Sunday morning and then went to Troutdale-in-the-Pines, 30 miles away, until Monday.

Chester O. Fischer, vice-president Massachusetts Mutual, and A. D. Lynn, assistant superintendent of agents, arrived in Denver a week ahead of the convention date and spent last week visiting agencies in Colorado.



## ENTER, MUTUAL BENEFIT . . .

• Through the doorway sits the prospect—and a problem. His wants, his ambitions, his life are his alone. No one in the world has a wife and children like HIS. Ask him.

He is an individual . . . and he needs an individual solution to his problem. That's where the Mutual Benefit man steps in—with the answer.

• The Mutual Benefit man can render a *personalized* service, "custom building" a life insurance estate to fit the life plans of each individual. He can draw on a vast resource of forms, plans and combinations of settlement agreements to fit almost any situation. That's how flexible and adaptable Mutual Benefit contracts are.

• Back of the Mutual Benefit man stands a home office with a proved ability to cooperate in the drafting of even minute details of an individual life plan. Back of him also stands a record of stability and fair dealing—a record of sound protection and liberal treatment. The Mutual Benefit has always been more liberal than any insurance law required. Of its own volition the Mutual Benefit pioneered the Principle of Retroaction, which extends so far as possible all new benefits to old policies, making them in effect as modern as the newest.

• The Mutual Benefit story of *personalized service* and fair dealing is earning its men a welcome. The Mutual Benefit man speaks the prospect's language—the language of individualized service.

The  
**MUTUAL BENEFIT**  
LIFE INSURANCE COMPANY  
NEWARK, N. J.



## Forgets Need for an Agent; Seeks Man To Elevate

**Advocates Old-Fashioned Hard Work in Field by Agency Organizer**

**By P. L. CORBIN**

(Mr. Corbin, agency director, New York Life, Denver, addressed the General Agents and Managers' section Tuesday.)

Recruiting is not so different from selling insurance. To sell, the agent must work a lot of hours all of the time, and so must we. He must get the viewpoint of the other fellow, and so must we. He must be decently generous to the other seller, and so must we. We must forget the other fellow's hard-won clientele—the man with the other company. Even forgetting ethics, there is usually something the matter with those you can pull away from some one else. They are nomads as a rule; they cannot forget some other system, and they seldom fit in well. As for those dismissed by other companies, what could they be? About the worst that can happen to us is to load our organization with the malcontents of other agencies. Any one you can get away from me, you are generally welcome to him. There is a Santa Claus all right, but you are it.

The best nominators are our own agents who believe in the business. If we make a reasonably happy family of our organization, we can get this help, especially if we show it. In my branch there are agents who have brought in from one to seven successful agents in the last few years. To gain the help of these agent nominators, there should be some definite system of rewards. We should give them the satisfaction of knowing our feeling of the leadership they show.

### Show Appreciation to Agents

You and I get a satisfaction in seeing a man succeed, beyond the money involved, and we may be sure that our better agents have that same quality of helpfulness. In bulletins, we may show the success of the new man and the old men responsible for bringing him in; frequently we may mention the service in our weekly meetings, and in every way possible give the helpful agent a sense of partnership in leading the new man to success. At the end of the year the successful records can be shown, with appreciation for the ones who are their sponsors. By constant reference to it, there can be built in an agency the desire to help make the organization grow, even for the selfish satisfaction of belonging to a live and growing unit.

For all the importance of this system, we need to put forth a lot of effort interviewing others who know about the abilities of their fellow citizens. If we depend on agents alone, we will lose out in certain important locations. From what professions these nominators should come, it cannot be said. We have had agents from coal miners to ministers, dentists, etc. While we must choose carefully among the educated, I believe it is a mistake to be closed in our minds to the man of not-too-good exterior who has something inside him that will overcome all obstacles.

### Baptism of Old-Time Religion

Many of us need a baptism of the old-time religion; we need to forget our dignity, to retake to the field in the old-fashioned way for the contacts we will get and the things we will learn in the light of present conditions. It would find us nominators, agents, it would show them it could be done. It would bring us nearer all our agents

and make us more helpful. I stand up before a bunch of agents frequently and tell them things. Once in a while I take myself to a town and solicit and work hard. When I do this, I come to my weekly meeting like a brother agent, enthused, with something to say. A while back a prospective agent in a small town told me he knew the place and no one could write an application in that town. My best reply was that I had written \$2,000 that morning right there.

This may lead you to suspect that instead of writing the doctor and others, I would prefer to go into the town and have a series of interviews with folks who know the town. We are prone to hope that there can be developed some easy way to do it. We may be like the agent who hopes that letters and briefs will sell it. At best, the clever letter and literature can only help a little in creating atmosphere. There are men of understanding in every community and they can be enlisted to help a fellow citizen who is in a blind-alley job to find his opportunity. A personal interview at the start is much more effective than a letter that so often will not receive any real consideration, except as it follows the interview. I am trying to follow the methods that helped me to sell, which was mainly to interview, then write and enclose helpful literature, and then interview again for results not immediately forthcoming.

### What He Says to Nominator

What do I say to the nominator? Sometimes about this: Mr. Smith, if you could pick out a man in this town who has your confidence, has ambition, meets people well, and who is just not getting anywhere because of the hopeless limitations of his blind-alley job, and get him where he could really make some money and build toward making more money, permanently; it would doubtless be quite a satisfaction to you. It would make a better citizen of some one here and be a personal asset to you, wouldn't it? I am looking for a man to whom I want to offer this opportunity. I am prepared to give him real training to start, helpfully follow him along, and I can confidently tell you that the right man will, in a comparatively short time, be doing as well as most of the men up and down the street who have a lot of capital invested in their businesses and who still have to work as hard as he will."

If he can't think of the man then, and usually he can't, I get his promise that he will give it attention and respond to my letter and stamped envelope. Another careful interview will be needed if I do not get what I want.

### Seeks "Coming Young Men"

I went into a county seat town where we have no agent and inquired for three men who know that town best and whose judgment is good. I asked them to tell me the names of five they feel are the coming young men of the place. I said I had an opportunity that was worthwhile for a permanent business for the right fellow and I was sure they would enjoy connecting me with the man I need and who needed me. I told them it was my job to see them and determine their interest, but that I needed their judgment. They promised to give it thought and agreed that I should write and remind them if the names were not forthcoming in a few days. These interviews were followed with a letter a little later. One of them sent me eight names that he was sure were worth contacting; and the first one interviewed, a specialty salesman, probably will take up our work. There are still a number to see if desirable, besides asking these suggested men to themselves suggest names if they do not care to tackle the job.

### The letter:

"Dear Mr. Smith:

"Some days ago, you were kind enough to think with me for a few

minutes about the man that I am looking for to help to something worthwhile in your community. I appreciate this interest shown by you and strongly hope it may lead to something that gives us both real satisfaction.

"Somewhere in your community is a man between the ages of 25 and 40 who is honest, intelligent, industrious and has real energy and ambition. This man should have a realization that anything worthwhile doesn't come easy; he should have enough instincts of thrift to appreciate the opportunity of a real contract that will furnish him a chance at an adequate and growing income through the years ahead. While my preference is for a man between 25 and 40, these limits sometimes can be extended a little. It is important that he be in reasonably good health.

### Can Provide Education

"I feel certain that this man is there in Smithville, if we can locate him; and that in a comparatively short time, he can be earning from \$3,000 to \$4,000 a year; and from that on up, as high as his ambition and ability will take him. He may be a filling station operator; he may be a grocer losing out to chain store competition; he may be a clerk; he may be almost anything; but

there is a fellow you know that ought to have a bigger opportunity. Our organization can give him a lot of education and help, though we cannot furnish the steam to push him ahead. If you will continue to give it a little thought, it may be worthwhile to all of us. I realize that you cannot spend too much time on this, but it was agreed that I should remind you of it, and I know you will give a little choice thinking to the matter in the next few days and let me have a name or two (or even more) on the enclosed slip."

With this letter goes the slip for giving the name and a return stamped envelope addressed to me, to make it not too much trouble.

More and more I am trying to forget, primarily, my need for an agent and am looking carefully for a man that my business and organization can help to his place in the sun. This is helping me more than anything else. Who hasn't felt the risk of getting some one to drop something he is doing to take on a new venture? This timidity is largely eliminated when we go on a hunt for the man who actually needs us in order to find himself in any real way.

## Facts and Figures That Speak

Keeping "Quality, Service, and Safety First"

—has characterized the progress of the INDIANAPOLIS LIFE INSURANCE COMPANY, a Legal Reserve, Mutual Insurance Company since its organization in 1905.

### A REMARKABLE SEVEN-YEAR RECORD

From Dec. 31, 1929, to Dec. 31, 1936

<b>ASSETS INCREASED</b> .....	78.4%
Assets, December 31, 1929.....	\$10,455,621.25
Assets, December 31, 1936.....	18,649,487.22
Increase .....	8,193,865.97
<b>SURPLUS INCREASED</b> .....	89.8%
Surplus, December 31, 1929.....	647,030.55
Surplus, December 31, 1936.....	1,228,580.25
Increase .....	581,549.70

In addition to these gains, the Company paid \$11,314,144.58 to policyholders and beneficiaries during these years.

### SPLENDID PROGRESS IN 1937

A Few of the Gains Made Jan. 1 to June 30

**GAIN OF INSURANCE IN FORCE** (Paid Basis) .....\$ 2,831,612.00

**Making TOTAL INSURANCE IN FORCE** (Paid Basis) ..... 103,598,741.00

**GAIN IN ASSETS**..... 960,745.09

**Making TOTAL ADMITTED ASSETS**..... 19,610,232.31

**MORTALITY** continued very low, only 36.8% of expected.

A complete kit of policy contracts to fit modern needs.

Children from birth, adults to 65.

## Indianapolis Life Insurance Co.

A Quality, Legal Reserve, Mutual Company, Organized in 1905

Operating in Indiana, Illinois, Michigan, Ohio, Texas, Iowa, Minnesota, North Carolina, California and Florida

**EDWARD B. RAUB,**  
President

**A. H. KAHLER**  
Supt. of Agents





## + GREETINGS *from* LOS ANGELES

**W. J. ARNETTE**

*Manager*

&

**Fidelity Mutual Life Insurance Co.**

510 West 6th St.

Los Angeles

**WILLIAM E. LEBBY**

*State Manager*

**Massachusetts Indemnity Ins. Co.**

*Noncancellable Disability Insurance*

530 West 6th St.

Los Angeles

*—And the men who help  
make it one of the leading  
life insurance centers of the  
West and of the nation.*

*We congratulate the N. A.  
L. U. on its progress.*

WHEN IN THE WEST LET

**JOHN W. YATES**

*and Associates*

CALIFORNIA AGENTS

**Massachusetts Mutual Life Ins. Co.**

BE YOUR HOST

530 W. 6th St.  
Los Angeles

681 Market St.  
San Francisco

"EAST MEETS WEST" at the

**NATIONAL LIFE**

INSURANCE COMPANY

Home Office

VERMONT

Montpelier

PURELY MUTUAL—ESTABLISHED 1850

SOUTHERN CALIFORNIA AGENCY

**WALTER J. STOESEL**

*and ASSOCIATES*

416 W. 8th St.

LOS ANGELES

**W. T. SHEPARD**

*General Agent*

**The Lincoln National Life Ins. Co.**

*"Link Up With The Lincoln"*

510 West 6th St.

Los Angeles

**MARK S. TRUEBLOOD**

*Manager*

SOUTHERN CALIFORNIA and ARIZONA

**The Union Central Life Insurance Co.**

CINCINNATI

510 West 6th St.

Los Angeles

**J. G. MacCONNELL**

*General Agent*

**Home Life Insurance Company  
of New York**

510 West 6th St.

Los Angeles

**W. K. MURPHY**

*General Agent*

SOUTHERN CALIFORNIA

**Northwestern Mutual Life Ins. Co.**

609 So. Grand Ave.

Los Angeles

**Hays, Hudson & Bradstreet**

*General Agents*

**New England Mutual Life Insurance  
Company of Boston**

609 South Grand Ave.

Los Angeles

**JAMES H. COWLES**

*General Agent*

&

**Provident Mutual Life Insurance Co.**

609 So. Grand Ave.

Los Angeles

**ALBERT E. PAYTON**

**AGENCY**

**New England Mutual Life Insurance  
Company of Boston**

510 West 6th St.

Los Angeles

**H. S. STANDISH**

*Manager*

&

**Sun Life Assurance Co. of Canada**

617 So. Olive St.

Los Angeles

**HAROLD G. SAUL**

*General Agent for Southern California*

&

**John Hancock Mutual Life Ins. Co.**

510 West 6th St.

Los Angeles

**WALTER G. GASTIL**

*Manager*

SOUTHERN CALIFORNIA

**Connecticut General Life Ins. Co.  
HARTFORD, CONN.**

609 So. Grand Ave.

Los Angeles

## Should Strive Now for Minimum Income Ideal for Agent

Elimination of Unfit Representatives Is Aid in Reaching the Objective

By ALEX E. PATTERSON  
Vice President, Penn Mutual

Figures on what minimum income ought to be in the United States were given in the recent Gallup poll of public opinion. What is the smallest amount of income a typical American family of four persons must have in order to have merely a decent living standard? The answer is \$30 per week or \$1,560 per year. The poll states the average income for four must be not less than \$38 per week or \$1,950 per year to enable them to live with health and comfort. William Green, president, American Federation of Labor, has named a goal of \$3,600 minimum per year for the working man. Can we in the life business disregard this subject in considering the future of the producer?

Seventy-six per cent of the life insurance in force in the world is held in America. Should we not, in this association, therefore, take every step possible toward bringing about better conditions for those who are merchandizing our product so successfully? And should we not do this now?

### Facts About Minimum Income

The great problem today in agency management is raising the minimum level of income to a point where each agent for a representative company can pay his current bills, live decently, so that he and his family can count on the necessities of life, and carry a reasonable amount of life insurance for his family and for his own independence in old age.

About 30 per cent of our underwriters produce about 70 per cent of the total volume each year. It is not difficult to understand, therefore, why so many of the other 70 per cent hang on the fringe of the decent living standard.

The institution of life insurance is held in the highest regard by the public today. On the other hand, there is a marked indifference generally to the career of life insurance selling on the part of the public today. Is this because we can point to no eminently capable and successful men in the business today, or in the past? Is it because there is no need for intelligence and ability in life underwriting? Is it because the scope of our service is limited? Is it because there is no opportunity in the future? Of course, not. It is simply because we have allowed to come in and remain in our business a horde of men unsuited and unfit for life insurance selling, with the result that of every 100 men who start life insurance selling on a whole-time basis only 49 remain a full year, and only 27 remain two years. Suppose that of every 100 doctors who started practicing medicine, only 27 remained in the profession at the end of two years. Wouldn't the public take, and be entitled to take, the same indifferent attitude toward this profession as they take toward life insurance selling at present?

### Selection, Performance Standards

Not until the standards of selection and performance are raised is there any real possibility that the minimum level of income for life underwriters can be raised. Not until we build our plans for developing salesmen to fit the man we want to come into our business rather than the man who happens to come in, will we make much progress along this line.

After seven months of home office

work my point of view on agency problems hasn't changed. We all know that the public point of view in regard to life insurance selling won't change unless we ourselves change that point of view. It is time for all of us to do something more about it rather than just to keep on talking about it.

### Recalls December Address

Last December, at the annual meeting of the Life Presidents' Association, I said:

"Is not the public's chief criticism of life insurance today, if not the only one, aimed at our methods of distributing our product? Would not a constant and critical analysis of the agency force of each company during the next five years bring worthwhile results? Would not the more careful selection of field representatives and the more thorough training of new appointees develop 'career' men in our business? Would not a more searching investigation of the qualifications and background of every person who applies for a contract actually create, in a few years, a sincere desire on the part of the youth to associate themselves with the selling branch of this business?"

"Now, the question is: Would a program of this kind reduce any company's annual volume of new business to any marked degree?"

### Five Year Experience

My answer was that I doubted if it would reduce their business. I have learned the five-year experience of one company which had already made an effort to follow a similar program. This company had 25 per cent fewer contracts in force at the end of 1936 than it had at the beginning of 1932 and yet it showed a steady material increase year after year up to and including 1936 and has continued to do so during the first seven months of 1937. The change in business conditions played some part in this picture, but I think the results furnish a pretty satisfactory answer as to the effect of a program of this kind on a company's volume and consequently on the average income of its individual underwriters.

One of the greatest drawbacks in the past has been the tendency to build agencies upon the foundation of a large number of failures or mediocre successes rather than a determination to develop groups of successful producers. Too many obviously unfit men have been brought into some agency organizations in the hope that, individually, they will produce a small amount which, in the aggregate, will be substantial. Anyone can see how the correction of this situation would help to raise the minimum income level of life underwriters.

### Agency Practices Agreement

The agency practices agreement has been a forward step. It is not a perfect instrument, but my hope is that with some future adjustment it will be so satisfactory that we shall all be willing to stick by it. Without some such agreement, the chances are that there will not be as much progress made in the coming decade as there was in the one just past.

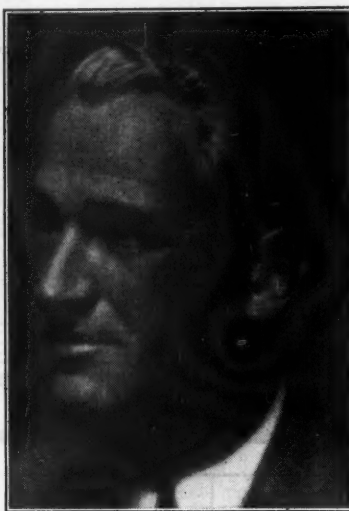
We can make far more progress if we attempt to iron out difficulties by some form of agreement and the results are bound to be unfortunate if we can't get together in working out a solution to our common problem.

This isn't a job that can be finished by Saturday night, for "Utopia is approached by degrees not decrees."

### Poor Agents Are Costly

Remarks about companies which bring in and allow dozens of salesmen to remain in the business when they are obviously unfit for life insurance selling, will sound to us absurd in the not far distant future. We don't have to dig very far into any company's accounts to find the fallacy of the state-

## Former President Back As Company Executive



ALEXANDER E. PATTERSON  
Vice-President Penn Mutual Life

ment that since agents unsuited to our business are paid on a commission basis they are not a source of expense. Plenty of studies have been made to show the high cost of poor results. We think we know all the answers as to why we should have only career men in our business, both from the company's and the underwriter's point of view. Our job now is to put this knowledge into practice.

A poll of more than 100 members of a sales executive club brought out the fact that of 624 salesmen discharged in various lines of industry, 196 or nearly one out of three were dropped for lack of industry. These figures are almost identical with those giving the results of a nation-wide survey made among sales executives some 20 years ago.

### Same Situation Elsewhere

There is no greater lack of industry among life insurance salesmen than there is among any other group of salesmen. However, it is well known that minimum incomes for life underwriters are predicated on a minimum amount of real honest-to-goodness work.

It has long been recognized that to be permanently successful in this business a man must be long on number of cases. The other day Elliott Hall of New York City showed me a study of the records of 16 underwriters who might be classed as millionaires. They represented some 12 different companies. Their average length of service in life insurance was 14.9 years; their average annual production was \$972,478 over that period; their average policy was only \$6,304, but the average number of paid lives for this entire group over a period of nearly 14 years was 170 paid-for cases per year. A truly remarkable record, but it may be said for the average person who wants to have a minimum income that there can be no permanent success in this business without a large number of paid-for cases each year. Members of the Million Dollar Round Table will verify the accuracy of that statement. The exceptions to this rule are rare.

### Minimum Knowledge Required

Minimum incomes require a minimum amount of work and a minimum amount of knowledge about our business. I don't mean that we all must sell in terms of tax savings or by means of elaborate audits any more than I think it would be a good idea for all florists to specialize in orchids, but by the very nature of his work, a life underwriter is a financial adviser

and a knowledge of financial problems is never inborn.

I was talking with an underwriter who felt that the social security act was interfering with his business and yet, from his remarks, I realized that he was in pretty much of a fog as to the provisions of the act. How could he possibly sell insurance to supplement social security incomes when he hadn't given enough study to the act to find out what these incomes were or to whom they were to be paid?

There is also the question of mental attitude toward the work. I was impressed by a comment on a world series game by Walter Hagen, who could have been a big league ball player as well as a big league golfer.

"I'd like to be in this world series," said Hagen to Gabby Hartnett, the Cubs' star catcher, "with two out in the ninth and the winning or tying run on second base."

### "One Helluva Spot"

"One helluva spot," Gabby said. "I know it," Hagen answered. "A lot of fellows would go to bat thinking how terrible it would be to pop up or strike out. I might strike out or pop up, but I don't think that idea would ever occur to me. My angle would be that here's the big chance." It's this mental attitude which explains why some men should be in our business and some men shouldn't, regardless of how hard they work or how much they know.

You may feel that the problem of raising the minimum level of income is merely one for those in charge of company management, or those in charge of agency management, to solve. Neither can shirk a substantial share of the responsibility. But if you want a clear view of the role you as life underwriters can play in solving the problem, leaf over a few pages of the history of this National Association of Life Underwriters and you will see what it has accomplished in the past by way of eliminating evils like rebating, unethical practices, etc., and can accomplish in the future by way of eliminating the "lame ducks" from our ranks.

### Individual's Performance

The accomplishments of any association are merely the sum total of the accomplishments of its individual members, and if, as the Chinese proverb states, "a picture is worth ten thousand words," it is equally true that the work of a career underwriter is worth ten thousand statements on the part of life companies as to the opportunities life insurance selling offers. Your very success builds prestige for the career of life underwriting, and the members of this group are going to be an important factor in determining the way in which the work of life underwriting is regarded by the public in the future. You build prestige for your companies, as well.

It stands to reason since employment and income and finished products are increasing; since the need for life insurance is recognized more generally by the public than ever before; since the services rendered are more efficient today than in the past, and since most progressive companies and agencies are sincerely attempting to raise the standards of their field representatives, there should be abundant opportunity for increasing minimum incomes for those who are distributing life insurance service.

### Cassidy Still Houston Booster

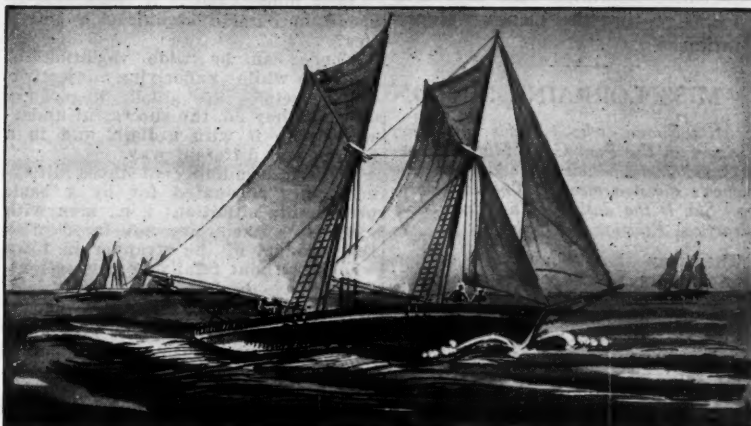
H. Kenneth Cassidy, for the past three years manager of the Houston campaign for the national convention, is still a Texas booster, although he has now been transferred by his company, the Pacific Mutual Life, to take charge of its important San Francisco agency, and says that was his principal reason for attending this convention. He brought four of his agents with him.



# PORTLAND



# SEATTLE



## PORTLAND and SEATTLE

Send greetings from the Great Northwest to the 48th annual convention of the National Association of Life Underwriters now in session in Denver. The agencies listed here have always been staunch supporters of the N. A. L. U. and will continue to do their part in helping to better the institution of Life Insurance.

### L. F. LARSON

GENERAL AGENT

#### Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

1309 American Bank Bldg.

Portland, Ore.

### MECKLEM & PARKER

GENERAL AGENTS

#### New England Mutual Life Insurance Co.

214 Corbett Building

Portland, Ore.

### ELMER F. PETERSON

GENERAL AGENT

#### State Mutual Life Assurance Company of WORCESTER, MASS.

Suite 1031 American Bank Bldg.

Portland, Ore.

### George W. Schoeffel, C.L.U.

MANAGER

Home Office Agency

#### Oregon Mutual Life Insurance Company

Portland, Oregon

### HUGH S. BELL, C.L.U.

GENERAL AGENT

#### Equitable Life of Iowa

1411 Fourth Ave. Bldg.

Seattle, Wash.

### JOSEPH P. MULDER, C.L.U.

MANAGER

#### The Mutual Life Insurance Company of NEW YORK

1411 Fourth Ave. Bldg.

Seattle, Wash.

### HARRY J. STEWART

SUPERINTENDENT OF AGENCIES

Northern and Inter-Mountain Dept.

#### West Coast Life Insurance Company SAN FRANCISCO

1411 Fourth Ave. Bldg.

Seattle, Wash.

### CHARLES C. THOMPSON

MANAGER

#### Metropolitan Life Insurance Company NEW YORK

311 White Building

Seattle, Wash.

## Conscious Effort Is Needed to Build Prestige as an Agent

Definite Methods Are at Hand For Creating the Desired Reputation

By MISS LORRAINE SINTON

(Miss Sinton, who is sales promotion manager in the Paul Cook Mutual Benefit agency in Chicago, addressed the women's division meeting Tuesday morning. She is the author of a recent book, "Practical Prestige Building.")

They say that when men gather, they usually talk about women. It seems consistent, therefore, for us to discuss, just among ourselves, 37 men. In age they range from 30 to 65; in stature from short to exceedingly tall; in number of years in life insurance from under five to 45; in manner of operation from the writer of a few large cases to the man, 70 per cent of whose 120 cases last year averaged only \$5,000 each. Some started with many contacts; some with none at all. Only in being leading underwriters and masters at building prestige are they alike. Since the outstanding characteristic of the new interview which sells needs and programs is confidence, "Practical Prestige Building," now the title of a book, is, ahead of that, a subject of vital importance and of current emphasis. The relationship between the underwriter and the prospect and policyholder has assumed the same intimate character as that which exists between the doctor and the patient, or the lawyer and the client. The necessary preliminary to such a relationship is confidence.

How best and most quickly to build this reputation for soundness, for good business ability, skill in estate matters, breadth of outlook and general background from which sound advice and wise counsel spring, we, in our own agency, know to be the biggest problem of the advanced underwriter, as well as of beginners.

### Building a Reputation

We have called the business of building a reputation, of creating an aura of success and of projecting it ahead of the interview, prestige building. There are underlying principles, as well as something of a technique which almost anyone can use in developing identity and prestige.

The 37 men each met a four-fold test as a requisite to selection. Each stands high in the estimation of his fellow life underwriters. Each is either a member of the Million Dollar Round Table or a leading producer of his company. Twenty companies and two independent operators are represented.

### Conducted Around Questionnaire

The interviews were conducted around a questionnaire. As a result, it is possible to make comparisons among the methods of the men, in terms of certain common denominators. What is it about these men that success has grouped together that we notice first of all? All seem able to make the sort of reality they desire instead of accepting the reality fate placed before them. They seem to have favorable impressions to follow them wherever they go. Frequently, they have an instinct for what is fitting and in good taste, usually a sense of the dramatic and they nurture these possessions carefully, the eventual profit coming by way of being able increasingly well to face the world without flinching. The way to get people to like you is to be the kind of a person that people like, we are talking about getting people to like

to talk to you about life insurance, to like to buy from you.

Have you ever asked yourself:

What part does advertising play in creating prestige?

I am well known, but am I well known as a life underwriter?

Is the opinion which my fellow underwriters have of me important?

How much time is it justifiable to spend in outside organization activities?

There can be wide variation of method while underlying objectives and principles are alike. Regardless of what they do, the successful underwriters do it with a flair, and in a unique and different way.

A certain number of these differences are accounted for by a basic prospecting situation; i. e., men with natural contacts are not faced with the problem of the stranger in town who is without family or connections.

Some use the telephone a great deal, others moderately; others never for first interview appointments.

### Social Life and Business

Some widen their social contacts definitely for business development purposes; others keep their social life entirely apart.

Some make themselves expert at public speaking.

Some employ the aid of direct mail extensively; others send out occasional monthly mailings, syndicated or original, with good will building or direct sales as the objective.

Half or more use testimonial letters extensively, the others not at all.

Some make use of million dollar insignia or company honor club on stationery and business cards.

A goodly number are C.L.U.'s and among the younger men, interest in becoming a C.L.U. is growing.

### Not Over-Specialized

Some become specialists, but most say they do not consider too fine a specialization wise, although they keep themselves informed about new developments.

A few have definite hobbies on which they capitalize for business advantages.

Some present elaborate written proposals, in a leather folder; others have the simplest type of one or two page brief. Nearly all do an audit and supplemental agreement job sooner or later.

Some use third party letters of introduction from centers of influence or the general agent, or company or office prestige.

Most are not theatrical (although a few are), but think about how to, and do, express themselves in little ways that attract favorable attention.

### Paul Cook's Green Blotters

Paul Cook's convenient little green blotters in unchanged pattern have been regular visitors on about 500 desks a month for the last five or six years, sometimes going out alone, mailing piece. They are of first quality blotting stock and the continuity sometimes accompanying another of dignified, pleasing advertising has evoked favorable comment. Mr. Cook considers them of value in regularly reestablishing his favorable identity with old policyholders.

Lou Behr, Equitable Society leader at 30, last year explained to his clients, especially his centers of influence, the purpose of the C.L.U. movement, and why he proposed to try to qualify himself. Then he told them that by preparing for the examination he was equipping himself better to serve them. He expects his attainment of the designation to make them feel that he is constantly learning, he doesn't think he knows it all now and out of his seeking will come some new ideas to apply to their insurance set-up, which they can be sure he will bring to them. They are, therefore, looking forward to his success at his studies for its possible value to themselves. Mr. Behr believes you must be constantly doing something to

keep your clients' interest in you alive and the C.L.U. is one such thing he has used in that way.

Dick Hanley, ex-Northwestern university football coach, has been remarkably successful at building prestige in life insurance selling. He sent out 500 of his original Christmas cards. He has tried to keep drawing for illustration upon his other field where all knew him as a success, and in such ways, making direct application to some angle of life insurance.

### James Brennan's Technique

James Brennan has had unusual success at selling fellow members of organizations. He pursues one activity at a time, doing an outstanding job in a spot where it is sure to be noticed. For example, moving to Oak Park, a suburb of Chicago, where he and his wife were unacquainted, he joined a commercial club and offered to introduce new members. He called upon each new member to learn enough about him in advance so that

## Talks to Women



MISS LORRAINE SINTON, Chicago Mutual Benefit Life

he could make a whale of an introduction. The new member was flattered and pleased. The president of the club said they had never had a new member chairman to do such a job before. Mr. Brennan kept a record of the new member information and in two and one-half years paid for \$589,000 of business out of this club.

John Morrell retains an economist who comes every Saturday for an hour to review economic matters. For example, the monetary agreement between Great Britain and the United States added some new slants on the value of life insurance. Mr. Morrell's clients are impressed that he is up-to-date in current events, as they will likely be reflected on their own pocket books and estate. When it "pours out," Mr. Morrell says he is better able to talk intelligently and convincingly.

Isak Dahle's hobby is to write life insurance all over the world. "Little Norway" is a museum covering a 160 acre tract 25 miles west of Madison, Wis.

### Regular Advertising Outlay

A. W. Ormiston budgets \$75 a month for advertising. He considers this as essential as luncheon appointments, or an hour of study a day.

The famous Edwin C. Hill interview with Alfred Johannsen reminds me that the National C. L. U. president sends cards to centers of influence when he is out of town. From Boston last year while attending the National Association convention he mailed 74 to centers of influence and certain other clients and prospects. They ask later what he was doing in Boston, or New York, or Washington or L. A., and he has a chance to tell. Often he replies, after attendance at a convention, "Trying to learn to be a better agent for you."

With these men, publicity takes the form of informative insurance articles

in the daily newspapers or other periodicals, or stories about their record. From my agency in January went out a planographed sheet showing a reprint of a Daily News announcement of our 1936 agency leaders, and a comment from Mr. Drew, the then general agent. Paul Cook had more letters and calls and more pleasure expressed at his success than anyone dreamed he would get.

### Letter at Christmas Time

Mortimer Buckley writes a letter of thanks to policyholders on Christmas stationery at the year-end "to thank you for your part in making it possible for me to lead my company in this district," it reads, and they like it, he reports.

We find that all 37 men possess these attributes and aims which they have adopted as principles.

A recognizable sturdiness of character, reliability, high sense of responsibility, and a fervor about life insurance.

A high order of salesmanship.

A familiarity with all available mechanical aids.

Abundant knowledge of the business and specialized information of a technical nature.

### Knowledge of Life, Business

Abundant knowledge of life and business in general, of economics, of world problems.

A great drive and a willingness to expend effort and energy on the business with only a minimum of supervision.

Originality, resourcefulness, a spark, appreciation of the value of being different and unusual, and of standing out from the crowd and out-thinking their jobs.

A minimum of fears and a maximum of courage and initiative.

A willingness to spend money in order to build themselves in the business. This self-promotion includes secretarial help, advertising, subscription to services, affiliations with underwriter's groups.

### Value Favorable Publicity

A well-developed sense of the value of favorable publicity.

A knowingsness about building fences and keeping them built; about making their personalities felt in every group.

A self-respect and dignity. A bearing and presence that induces people to place their trust in them. Business-like conduct in all relations.

Meticulousness about keeping centers of influence pleased (including leads); painstaking advance case preparation and stage-setting (beginning with the physical appearance of written proposals, whether brief or lengthy); determination to keep promises once made, paying bills promptly.

Extensive use of third party influence as possible.

### Have Appeal to Others

All are men people "like to do business with." All have a friendliness, or at least an appeal to others because of an interest in people and their problems.

All own substantial amounts of insurance themselves.

In some manner, all satisfy the prospect's sense of importance.

All have good memories for names, events, characteristics, interests, people.

All look the part of successful business men.

All have affiliated themselves with their underwriter's association.

### Shrewd Self-Promotion

Shrewd self-promotion, provided it is legitimately sound, is simply good common sense.

In building prestige, the first problem is to analyze your situation in terms of where you live, how long you have been in the business, whether you have a financial cushion, whether you are a stranger or a native, and find the methods adapted to that situation. Then read each method listed and decide whether you would care to use that method.



# DENVER

# WELCOME

With Annual Convention of the  
ers, we Managers and General  
attendance and take this means  
as the 1937 Convention City.

## BLING and FABLING

*General Agents for*

COLORADO and WYOMING

A. J. Gillis, Associate Gen. Agt.

**Pacific Mutual Life  
Insurance Company**

607 Colorado Bldg. Denver, Colo.

## A. B. BALLAH

*General Agent*

Colorado and Southern Wyoming

'THE ROCKY MOUNTAIN AGENCY'

**The Northwestern Mutual  
Life Insurance Co.**

of MILWAUKEE, WISC.

310 First Nat. Bank Bldg. Denver, Colo.

## L. G. ELLSWORTH

*Branch Manager*

COLORADO and WYOMING

**West Coast Life Insurance  
Company**

SAN FRANCISCO

509-10-11 Symes Bldg. Denver, Colo.

## GUY J. GAY

*Manager*

COLORADO, WYOMING, UTAH  
and WESTERN NEBRASKA

**Sun Life Assurance  
Company  
of CANADA**

National Bank Bldg. Denver, Colo.

## Brendan J. Harrington

*Manager*

**Metropolitan Life  
Insurance Company  
of NEW YORK**

1706 Welton Street Denver, Colo.

## JOHN A. CULBREATH

*General Agent*

**The Manhattan Life  
Insurance Co.  
of NEW YORK, N. Y.**

410 California Bldg. Denver, Colo.

## H. ALLEN NYE

*Agency Manager*

COLORADO and WYOMING

**The Equitable Life  
Assurance Society  
of the UNITED STATES**

1st Floor, Security Bldg. Denver, Colo.

## P. L. CORBIN

*Agency Director*

**New York Life Insurance  
Company**

801 Symes Building Denver, Colo.

## HARRY E. TANDY

*General Agent*

**Occidental Life Insurance  
Company  
of CALIFORNIA**

803 First Nat. Bank Bldg. Denver, Colo.

## THOMAS G. HERBERT

*Manager*

**The Guardian Life  
Insurance Company  
of AMERICA**

Security Building Denver, Colo.

## WILLIAM A. SPENCER, Jr.

*General Agent*

Fred F. Syman, Asso. Gen. Agt.

**Massachusetts Mutual Life  
Insurance Company  
SPRINGFIELD, MASS.**

(Organized 1851)

306 Colorado Bldg. Denver, Colo.

## RALPH F. TAYLOR

*Manager*

**The Mutual Life Insurance  
Company  
of NEW YORK**

423  
University  
Building



Denver  
Colo.

## Nominator Plan Of Recruiting Has No Equal

**Requires Hard Work and Is Slower Than Some Other Systems**

**By RICKS STRONG**

(Mr. Strong, general agent for John Hancock Mutual, in Dallas, addressed the General Agents and Managers Section.)

I am of the opinion there is only one scientific method of recruiting—the nominator plan. As far as I am concerned, all other plans are out.

I'll admit it isn't new, but I dare say if you have really been using it for any length of time you have at least the basis for a real agency.

The plan requires a lot of hard work and is slower than some other plans. Recently a vice president told me that in his opinion, mass recruiting was as dead as a dodo. His company has less than 500 contracts in force and pays for approximately \$50,000,000 new business annually in one state. Here is how they hired an agent in Hillsboro:

### Survey Is Conducted

Hillsboro is located about 30 miles from Waco, where the company has a supervisor. This supervisor spent a couple of days calling on the business men in Hillsboro. He made his list of nominators as he went, picking the leading druggists, lawyers, doctors, merchants and other qualified informers in each block. On each successive visit he would spend about two days, and re-call on some of the same nominators, but at all times broadening his circle until he had contacted enough business men in Hillsboro to have a complete spread. In all, this supervisor spent about 10 or 12 days talking to some 60 nominators.

He didn't tell a nominator he wanted an agent, nor did he ask the business men for assistance. He had a sales talk to the effect that "to the proper man in Hillsboro we can offer a great opportunity," describing the company's plan of training, supervision, and guarantee of success.

After this survey had been completed, a letter restating the opportunities was sent to these nominators, together with a reply card on which the nominator was asked to give the name and address of two nominees. Twenty per cent of the nominators gave the names of one or more candidates. All nominators who replied were then called on, at which time additional names of candidates were received. The list was worked down to two possible candidates. The company hired one and turned the name of the other over to another company who wanted a representative in Hillsboro. This was in March of this year, and the vice president stated: "We are satisfied with the results obtained by our representative. We are informed by the other company that the representative they appointed on our nomination has already been successful."

### Circularized 70 Business Men

Another actual case in my territory is the one wherein the supervisor got the names of 70 leading business men from an acquaintance in that town of 6,000. Seventy letters were sent out. He received 20 replies containing the names of 15 nominees. One good man was hired.

It has been said that the life insurance field is cluttered with unqualified representatives, or misfits. If we analyze why we keep laying ourselves open to this criticism, we will find that it's because enough good men don't, on their own initiative, choose life insurance as their work. That means there

is not created a large enough group from which we can automatically pick certain types of agents. The home office opens an agency and tells the manager that he is expected to produce a certain volume, suggesting, or leaving it to him to figure out that he would need a certain number of agents. It might give him a certain number of desks in the agency room. His job is to fill those desks; therefore, his first inclination is to hire a bunch of men. He needs a man so badly that when some inquirer walks in and asks about writing life insurance, he is more apt than not to sign him up and turn him loose on the job. If he makes the statement to some policyholder or friend that he needs a man, and it is suggested to him that Bill Jones lost his job at the grocery store and maybe he could sell some life insurance, he is prone to give Bill a trial.

### Exercising a Choice

Let's contrast these all too often methods with one wherein you had the names of 50 prospective agents who had been recommended as being honest, upright, reliable gentlemen. You interview the 50 and find that 10 or more would be accepted, but you only want one agent. Doesn't it stand to reason that you would get a much better agent than if you had only two or three at the most to choose from? In using the nominator system, you really have to make a decision, exercise a choice between one good man and another.

In 1925, Jack Lynn and I were put in charge of an agency paying for \$30,000 in first year premiums. By 1928 we were paying for \$65,000 in first year life premiums. Our building was largely a result of trying a lot of things. We had never heard of the nominator plan. We circularized the postmasters, asking for the names of prospective agents. We had the letter multigraphed, and sent a form letter to all postmasters and another to all nominees. We had a different form letter follow-up to those who didn't respond. It wasn't long before we found out that it took more brain work than that to operate a good nominator plan.

### Describing the Opportunity

The great difficulty with most attempts to use the plan is the general agent's inability, or unwillingness, to paint the proper picture of the opportunity offered by the business. The nominator is not interested in helping us. He can be led to become interested in helping some friend get a good job. If I have a clear picture in my mind of the man I want, I can almost make the nominator see that picture. I have in mind the induction of a good man about two years ago. A good book salesman called on me and made a sale. He was not the type I was looking for on account of his age. I complimented him on his salesmanship, and then drew a vivid word picture of the type of young man I would like to visit with in regard to making life underwriting his life work.

Within a week he called and described the man I had been looking for, and made an appointment for the nominee to call on me. The prospective agent measured up in every detail. He became sold on the idea of coming into the business, but decided he would like to represent a certain other company because he had a personal tie-up there. He is still in the business and is making a success. After he had been in the business about two months he walked into my office with a fine-looking man about 35 years old, and said: "Ricks, here's the man you are looking for," and sure enough, he was, because today he stands second in the company in paid premiums, year to date, and he has brought another man into the agency who is going to make good.

### Help From the Staff

One of the surest tests of our ability to attract agents is whether our pres-

## Gives Financial Report Of National Association



**ROBERT L. JONES, New York**  
Perennial National Treasurer

ent agents are helping us recruit. If they won't bring their friends around to talk to us, something is wrong. If we treat our agents as we promised we would, they will help us recruit. If not, they will undo the agency work we try to do personally.

We have to keep the present agents sold on the idea that life underwriting is the best career and this constant selling keeps us in trim to sell the same idea when we contact the nominator and the nominee.

If I knew everybody in Greenville, the selection of the best available man there would be a comparatively simple task, but I don't know a soul in the town. My aim in such a situation would be to contact every business and professional man in Greenville, either directly or indirectly. In this way, I would tell the story of life underwriting as a career to enough people to assure me that every possible prospect has been thought of by one or more nominators. I might have to talk to a hundred or more. When I have built this list of nominees I then tear it down. I can carry my list of nominees to 10 different business men and get them to assign a value to each—first choice, second choice, third, etc. This is valuable because these are the ones who know my future agent, and with whom he will have to do business. Their opinions are valuable.

### May Wait for Better Time

Finally, one or two, or maybe three names will stand out as being satisfactory, if available. Perhaps I wouldn't go wrong by hiring either of the two best. However, I start out to visit those who look best, and continue on down the list until I find the man with whom I click—that is, he is the right age, has a good sales personality, is ambitious, and would be willing to work harder if he could make money.

Up to here, my work in Greenville might have been continuous. I have told the story of life underwriting as a career to the man who looked best. I am now ready to back off and view the situation from a distance.

### Mail Campaign

When I go back and find that I am still sold on my original choice, I am ready to do business with him if he is available at that time. If he isn't available and I have good reason to believe that within a reasonable length of time he will be ready, why should I take a second choice only to learn later on that my first choice is a competitor of the man I did contract?

I can only train a limited number of men at a time, so how about Tyler? Perhaps the man I want there is ready

## Have Enjoyments as Goal, Not Merely Balancing Budget

**By RON STEVER**

**Equitable Society, Pasadena, Cal.**

In 1934 my company celebrated its 75th anniversary. An educational conference was held in New York. Quarter million dollar producers were to be given a five-day cruise to Halifax aboard the Berengaria. Our agency was decorated with scenes of Nova Scotia and the Berengaria. A descriptive folder was mailed to our home. Facetiously, we selected a stateroom—facetiously because we were new in the business and not in the quarter million class. The possibility of making the qualifications seemed too remote. Two months remained of the qualifying period, and \$100,000 of paid business was still needed. That was almost as much as I had written the entire previous year.

Seriously enough, we began to visualize the thrill of such a cruise; five days aboard one of the largest liners afloat, with quaint old Halifax as a destination, an opportunity to meet the officers of the company and become acquainted with the leading producers. Soon we were living that cruise. An application was obtained every other day for two months. When the Berengaria steamed past the Statue of Liberty we were aboard. It was the first thrill of accomplishment in the life insurance business. At that time we needed the commissions which the plus business brought. There were obligations to meet; but being human, it was impossible to get steamed up over paying bills. But five days on an ocean liner, that was different. It was something to stir the imagination.

### Visualized the Result

From that experience came this idea. We had sold ourselves on doing a plus job because we could visualize the re-

to go. If not, I have Waco and Paris on my list, and so on. This system of personal solicitation for agency material can be augmented with a mail campaign.

There is one phase of the plan in which I am much interested. Dallas is the trade center for one of the largest oil fields in the country. Let's suppose that I want to hire a man to sell in the upper brackets of the oil industry. The oil man's problem is different from the farmer's or the doctor's; however, his problem is similar to that of all other oil men. If I want an agent who can sell oil people, it would be best for me to find one who knows the problems of these people engaged in the oil business. Certain people in the oil business stand out as leaders. In Dallas there might be from 25 to 50 oil men to whom I could go with a proposition that would benefit one of their friends. If I can get them to suggest people with whom they like to do business, the man I ultimately contract will have a much greater opportunity to sell men in the oil fraternity.

One essential feature is that of being sure that you have a sufficient quantity of nominators. Any nominator can think of one nominee if given a sufficient length of time; however, you might not be willing to wait that long. Therefore, you must contact enough nominators to guarantee that you can get the type of man you want within a reasonable length of time. There are worlds of good agency material ready to come into this business as soon as we can find them and tell them a story that they will believe about life insurance as a career.



sult. Insurance can't be sold by sound logic and cold figures alone. In selling, we attempt to stimulate the imagination of the prospect. We motivate him through the use of specific, concrete, human interest stories. We get him out on the golf course with his cronies. He is 60 and the cares of business are left behind forever. We paint pictures for the prospect, and yet we give ourselves a financial statement for inspiration. The plans and objectives of most underwriters fall short because they are based entirely on abstract things; volume and premiums, calls and interviews, and commissions

necessary to balance the budget. After all, the average underwriter has more trouble balancing the budget than a politician. Why not then apply the same sound methods in selling ourselves a future that we use in selling the prospect? If we can make our goals more definite and in terms of the things we can enjoy, if we can visualize the results, then we will be stimulated to action.

#### Mapped Five-Year Plan

Two years ago while on a vacation, Mrs. Stever and I set about outlining our objectives for a five-year period.

Specifically what did we want? It would be convenient to get into the two-car class. Your wife always wants the car on the days you need it the most. We had outgrown our home, and hoped to build a more adequate one. We wanted the time and money for travel. Membership in the University Club and a good country club had social advantages and might prove helpful business-wise. The advantages of being active in civic and community affairs were obvious. There was the C. L. U. designation to be earned. A more adequate insurance program was needed. And by the end of the five-

year period I hoped to qualify for the Million Dollar Round Table. These objectives and many more were set up in a leather bound book with as much attention to selling myself visually as you would use in the preparation of a \$100,000 case. Those objectives, and others which are added continually, occupy the most prominent place on my desk. My attention is directed to them daily. Two years of the five-year plan have passed. Nearly all of the original objectives have been attained and others have been added. The things we had hoped to accomplish in five years we are already enjoying.

## LEADING LIFE OFFICES OF CHICAGO

### *The* **JAMES M. ROYER**

*General Agency*

SUCCESSOR TO

The Alexander E. Patterson General Agency  
of the

**Penn Mutual Life Insurance Company**

FRANKLIN 7575

120 S. La Salle St.

CHICAGO

### **HERMAN C. HINTZPETER**

*Manager*

**The Mutual Life Insurance Company  
of New York**

*Chicago's Greatest Agency*

8th Floor, 208 So. La Salle St.

State 9700

CHICAGO, ILLINOIS

*The*  
**Equitable Life**  
**Assurance Society**  
OF THE U. S.

&

**PHILIP B. HOBBS**  
*Agency Manager*

**WARREN V. WOODY**  
*Agency Manager*

**HARRY T. WRIGHT**  
*Associate Agency Manager*

120 So. La Salle St.  
CHICAGO

*The offices listed on this page are leaders in the life insurance field in Chicago. They believe in the National Association and for what it stands, and through this medium extend their cordial greetings to the 48th annual convention in Denver.*

NEW YORK — SAN FRANCISCO  
MINNEAPOLIS

### **MARSH & McLENNAN**

We Maintain Specialized Departments for Handling All Subjects of

### **INSURANCE**

Telephone Wabash 0640  
164 West Jackson Blvd.  
CHICAGO

London	Indianapolis
Winnipeg	Buffalo
Phoenix	Los Angeles
Pittsburgh	Montreal
Portland	Duluth
Seattle	Columbus
Vancouver	Cleveland
Tulsa	Boston
Milwaukee	St. Louis

## **HOBART & OATES**

Phone State 0633

*Chicago General Agents for the*

208 S. La Salle St., Chicago

**NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY**

An agency giving its men thorough training and continuous supervision; the services of a competent statistician; policyholder leads and route lists; commission protection through accepting no brokerage business and no "part-time" agents.

## Need Courage to Dramatize Death Without Insurance

By STANLEY E. MARTIN  
State Mutual, Columbus, Ohio

One day I went into a small suburban branch bank to talk with the manager. There were no customers in the bank and the manager said to me, "Watch this coming in the door—it's unusual."

I saw a well-dressed young woman with a curly-headed girl about four years old. The little girl had a pass-book, deposit slip and check. As soon as they were in the door she broke away from her mother and went to the deposit window, stood up on her tip toes and handed the deposit slip and check to the teller, and said, "Here's the money from daddy."

I said to the manager, "The woman is lovely, and that's a darling child, but what is so unusual about it?"

And the banker said, "That child's daddy has been dead for more than two years."

### Miracle of Life Insurance

Then I was impressed with the miracle of life insurance, that let this daddy project himself so beautifully into his little girl's life, and I was impressed with how some good life insurance man had recognized his responsibility.

In contrast is an experience I had a few years ago. I went to the town of Lancaster, Ohio, to do some joint work with one of our men. He took me to see a bricklayer who was laying the brick on the new high school. This man had a wife and six small children. He was a high-class bricklayer, made \$12 a day, lived in a little rental home, had no life insurance, but was saving a little money in a building and loan.

I found him sitting on a scaffold. I didn't have much luck trying to talk to him looking up. I took three strikes and struck out. He didn't want any life insurance, and didn't want to talk about it. He didn't need it. I went back to town about half angry because our man had taken me to see him.

### Breaks Neck, Family Bereft

Three weeks later when the scaffold had got up high, it broke. This man fell and broke his neck. There was a little money out of the building and loan that buried him, and within a few days the neighbors started to take care of the family. Then because neighbors aren't organized to solve such problems, society was forced to step in. The mother had a little babe, nursing. The first thing society did was to tear that little baby away from her. A family in Lancaster adopted it. Two twin girls, three years old, were sent to a charitable home in Columbus. The other three boys were sent to charitable institutions.

A few days later I had a letter from the man with whom I had worked in Lancaster. He told me he was sending this mother to me, and asked that I try to find her employment. I got her a job as night janitress in the building in which we have our office. Tonight at 10 o'clock you can find her, with two other women, emptying cuspidors, sweeping and mopping.

Last Christmas my general agent asked me to come to the office and help him trim a tree for the Christmas party. While we were decorating, this woman came in with her mop and brushes. She went into my private office, shut the door and stayed there. I went over and opened the door.

### Has to Give Up the Babies

She sat at my desk, her head in her arms, sobbing her heart out. I tried to comfort her, but there wasn't much I could say. She said, "I've just come from Mabel Bassett, the head of the state correction bureau. I asked for

permission to see my babies this Christmas. I haven't seen them for two years, but she convinced me that it is better for me and better for them if I never see them again. I wish I could put a stocking on the tree out there for my babies."

If I had been able to make that bricklayer close his eyes for five minutes and die, and see just the things that did happen, not what might happen, don't tell me that if he knew that by living on \$10 a day and saving the other \$2, he could have set up a plan that today would allow me to give that woman a check for \$150 a month that would keep her and those babies in a home together, properly educated and enjoying each other's company; if he could have seen that picture and then could have found a plan, don't tell me he would have turned it down. No matter what excuses I now present, I failed to recognize my responsibility. I was afraid that I might be ridiculous if I had the courage to make him see the picture of life as it is lived.

### Real Courage Needed

Later in St. Louis, after I had made a speech at the underwriters' meeting, one of the boys asked me how to answer the objection: "I haven't any money". I told him it wouldn't do any good to give him the real answer, because I didn't think he'd use it; that most of us haven't the courage. But he insisted; so he played the prospect part and said, "I haven't any money".

I replied, "Of course, if you needed this life insurance and had the money, you'd buy it. So when you don't buy it, I know you feel that you either don't need it, or you haven't the money. Do you need it?"

"Oh, yes," he said, "I probably need it, but I haven't the money."

"A good many people tell me that's the reason they don't buy life insurance, and I believe most of them are telling the truth. I think you are sincere when you tell me you haven't any money, but I wonder if you know what it means not to have any money. Did you have a good breakfast?"

"Yes."

"Are you apt to have a good dinner tonight?"

"Yes."

"Have you another suit?"

"Yes."

"Are your kids pretty decently dressed; have you an automobile, a radio? Is your rent paid? Oh, you own your own home."

### Finds Wife Hungry Year Later

"Why, mister, you've got money for these things—let me show you what it means not to have any money."

"Let's suppose that you died owning \$1,500 of life insurance and I came to see Mrs. Adams a year later, after it had all been spent, and asked her the same questions."

"How are things, Mrs. Adams? Did you have a good breakfast?"

"No, Mr. Martin, we scarcely have enough any more. The car? Oh, we sold that long ago. The radio? That's gone, too. Oh, Mr. Martin, you don't understand, we're actually hungry. And it's driving me mad. I don't mind for myself, but it breaks my heart to see my little ones suffer. Oh, Mr. Martin, it's been awfully hard since Charley's gone."

"That's what it means not to have any money, Mr. Adams. Have you got \$5 a week to give them a break?"

"What do you think, gentlemen? Do you think I'll get it?"

Well, that's my responsibility to the public, and yours; to have the courage to make them see the picture. I have that courage. Have you?

### Campaigners for St. Louis Arrive in Special Train; Give Salesmanship Exhibit

About 50 campaigners for St. Louis in 1938 arrived in a special Missouri Pacific train Sunday morning and proceeded to do a job of salesmanship aided by brochures, charts, free cigars, matches, buttons, etc. Someone had gone to the trouble of figuring what would be saved in the way of hours, dollars and total miles of travel by conventioners should the 1938 meeting be held in St. Louis instead of Houston. The chart gave for each state (taking some particular city in each) the distances to St. Louis and Houston, delegate miles, rail and Pullman fares, delegate fares, hours of travel and delegate hours.

Geo. L. Dyer, Sr., Columbian National, is chairman of the St. Louis committee, Arthur Shugg, Aetna Life, is vice-chairman, J. G. Callahan, Metropolitan, secretary to the committee. The other committeemen are Howard Cammack, John Hancock Mutual, and Fred T. Rench, National Life. That committee has been organized for a year.

### Johannsen Back From Coast

A. J. Johannsen, Northwestern Mutual, Chicago, has been on a vacation trip to the coast. He is the outgoing

### Is Speaker at Million Dollar Round Table Hour



STANLEY E. MARTIN, Columbus, O., State Mutual Life

president of the National Chapter, C. L. U.

50<sup>th</sup> YEAR

OUR UNEXCELLED  
FINANCIAL POSITION  
IS THE REFLECTION OF  
CONTINUOUS SOUND  
MANAGEMENT BY  
EXECUTIVES WHO  
REALIZE THAT  
INSURANCE SALES  
ARE EASIEST WHEN  
COMPANY STRENGTH  
IS UNQUESTIONED

Bankers Life  
INSURANCE  
COMPANY OF  
Nebraska  
LINCOLN - SINCE 1887



# Insurance Selling Analogous to Bridge Building

By MRS. HERBERT FELKEL

(Mrs. Felkel, who represents Prudential in St. Augustine, Fla., was a speaker at the meeting of the women's division Tuesday.)

Selling, my husband once wrote, is not good selling unless it makes a friend, and selling is always better selling if it holds a friend. Good salesmanship should make the good friend a better one. In this business where we must have the confidence of our client, that we may get to know not only his intimate business secrets, but the intimate and secret longings of his heart, friendliness is a prime requisite.

How may one gain friends? Emerson says the only way to have a friend is to be one. Boswell makes Samuel Johnson say, "If a man does not make new acquaintances, as he advances through life, he will soon find himself left alone. A man, sir, should keep his friendships in constant repair."

The task of life underwriting is difficult. It abounds in discouragements, embarrassments, anxieties, and sometimes seemingly insurmountable obstacles. It deals in the most knotty of all problems, human relationships requiring for its solution the influencing of human behavior. It requires knowledge, definite skill, specific talents and specialized training. But a life underwriter can have all these and not succeed. He will fail unless he

wins esteem and goodwill. He must have a heart that beats in sympathy and understanding for his fellow man.

## Women's Success in Field

This may possibly be the secret of women's success in this field—an understanding heart. We have really two viewpoints instead of one. As provider for dependents, we get the viewpoint of the man. But always we have the woman's viewpoint, too. And so with this double vision, with this love of people, life underwriting becomes, for a woman, not a heartless, grueling work, undertaken as a quarry slave, but a fascinating study of human psychology whose ultimate success rests with people, with friends we make and keep.

The building of a clientele is of fundamental importance, but keeping the clientele is even more important. Too many life underwriters, I fear, are making clients and then forgetting all about them. Too many, instead of really building a clientele and keeping them, are simply peddling a policy, and having got our prospects on the dotted line, and delivered the contract, "we're through with them."

Don't give up the most precious asset you have—satisfied friends, pleased clients.

## Selling is Creating Wealth

Selling is just as important as creating wealth in any other fashion—by mining, farming, engineering, building. It should be planned and studied just as carefully—as a bridge, for instance. It must bridge the distance between op-

posing shores and it must bear the traffic. Our selling should be so planned that it will connect the opposite shores—life and death—and should be so well constructed that it will bear the traffic. It is expected to bear, whether the load be the great volume which holds together large fortunes and estates, or the modest income producing policy which projects a father's love into the uncertain future.

No matter how young the client, no matter whether he hasn't a single dependent, I try to picture for him what life insurance is and what it will do. I try to show him the value of a human life—his life value. In the future, whether or not I happen to be the one to get the business, I've made it easier for myself or some co-worker. We can always go back to the client who has been shown a real plan, a program of life, worked out according to specifications which he himself gives you at your first interview. Show him the blueprints and specifications, the complete plan, even though you know he cannot just yet do more than build the approach to his bridge.

## Wants Bridge to Bear Traffic

Does your client want a \$5,000 bridge? Does he want a \$50,000 bridge? What he wants is not a bridge that costs a certain amount, but one that will bear the traffic, resist the floods, go clear across the stream.

How much of an income bridge must you build to secure the maximum of happiness from life? That is your problem, and his. The size of your sales will be in direct proportion as you are able to show him this bridge which is to connect now with eternity.

## Lack of Personality

The one necessary quality every good salesman must possess is a happy

face, a cheerful disposition, a bright and sunny smile, a happy heart.

The failures seem to come not so much through inadequate brains or lack of talent, but by reason of lack of personality requirements. Have you noticed that most of the people who are always right are nearly always dull? It is not by regretting what is irreparable that true work is to be done, but by making the best of what we are. It is not by complaining that we have not the right tools, but by using well the tools we have. Better to use a small talent well than a great talent poorly.

Look your disadvantages in the face and see what can be made out of them. Life is a series of mistakes and he is not the best general who makes the fewest false steps. Forget mistakes; organize victory out of mistakes. Keep your courage up and your temper down.

Build your clientele through friendship, carefully planned selling, and a developed personality. Keep it through kindness, friendliness and service. Your plans should be as carefully drawn and executed as though one were building a bridge, that bridge which must span the waters, the very waters of the river of life. And it must be stout and strong to bear the traffic, a traffic made up of the hopes and plans of human hearts.

## Stearns Claims Service Record

Maurice H. Stearns, general agent for John Hancock Mutual in Providence, R. I., thinks that he has been coming to national conventions as national executive committeeman longer than anyone else. It may be a difficult claim to disprove because Mr. Stearns is not just sure what his record is. He would have to look up the data, but anyway it has been a long time.

# A LETTER

to the Agency Force of the  
Home Life Insurance Company, New York

To the Agency Forces—

The facts just recently made public show our Company's average sale of \$5,000 during 1936 as being over twice as large as the average sale of seventy-seven leading companies.\* For two consecutive years this same high ranking has been ours to be proud of.

You who have made this record possible enjoy a real distinction. It is pointed out by the trade paper which prepared the exhibit of figures that "if two Agents were selling the average other policy, the one who wrote the average larger policy would make the larger commission."

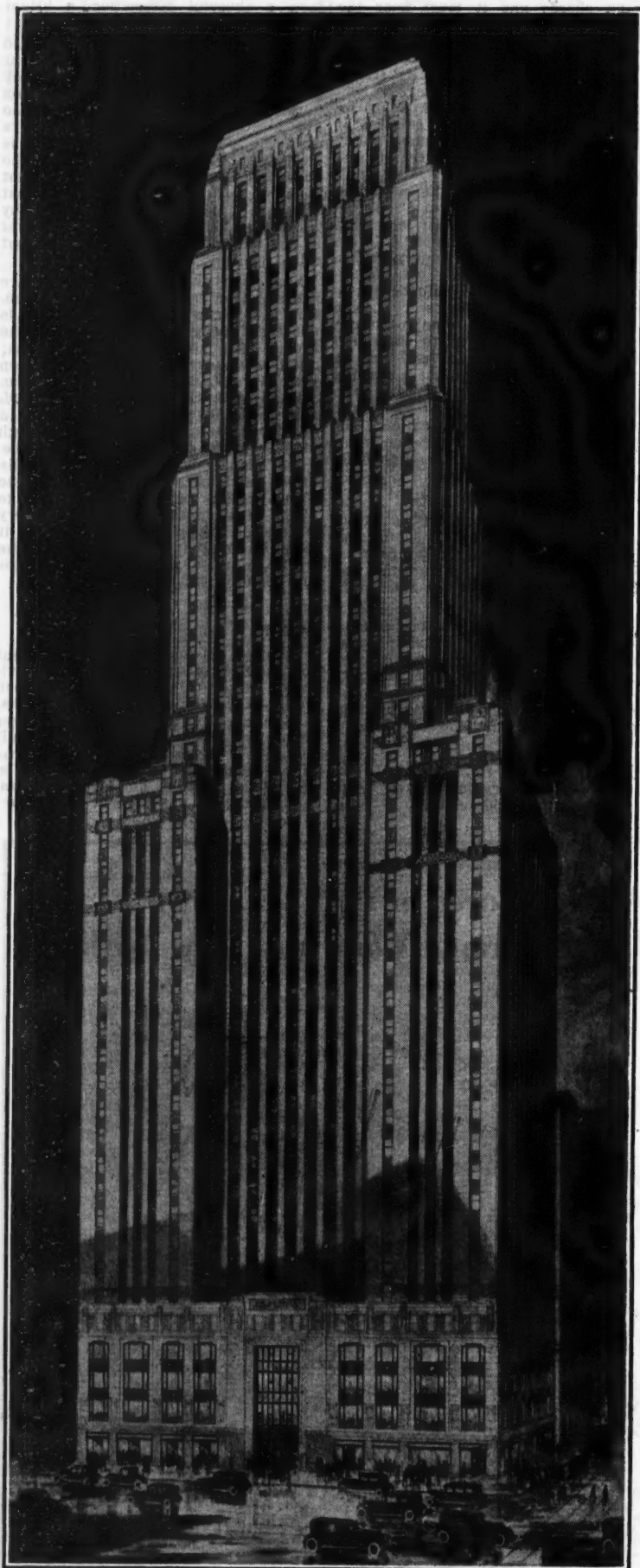
Inasmuch as our Company has had but one and only one sales method since 1933 which originated the Planned Estate Idea, we can accurately point to this unique service as the reason by which you have been able to make a better living in the life insurance business.

By our continued specializing on the "preferred risk", that high type of buyer who benefits most from Planned Estate, we can confidently expect to continue showing higher average sales and higher average commissions.

Yours very truly,

James H. Felkel  
President

\*From an exhibit showing the average size of policy sold by 77 leading companies during 1936. Prepared and published by the Life Insurance Courier—July 1937.



## ONE LA SALLE STREET BUILDING

*An Address of National Prominence*

Rates and Floor Plans on Request

L. J. SHERIDAN & CO., Agents One La Salle Street, Chicago

# OUTSTANDING ONE LA SALLE

*The Life*



**- TIME -**



*Time is your most valuable possession. As a life underwriter, your success depends upon the amount of time you spend with the buyer. To save your priceless hours, we have set up a department well qualified to give quick and complete service to brokers and surplus writers.*

**E. W. HUGHES**

GENERAL AGENT

**Massachusetts Mutual Life Insurance Co.**

One La Salle Street Bldg.  
Suite 1616

Chicago, Illinois  
Phone RAN 0060

TELEPHONE STATE 3378

**ROCKWOOD  
S. EDWARDS**

One La Salle Street  
Suite 1914



General Agent

**AETNA LIFE  
INSURANCE  
COMPANY**

CHICAGO, ILL.

**PRESTIGE!**

With all the fine qualities it embraces is not a mushroom growth. Like a sturdy oak, it has been tested by the elements of time.

This Agency, for 33 years under the leadership of Samuel T. Chase, our predecessor as General Agent, has enjoyed prestige of the highest order.

This is our rich heritage. It will be our aim to maintain it.

**Charles J.  
ZIMMERMAN**  
Agency

**THE CONNECTICUT  
MUTUAL LIFE  
INSURANCE CO.**

One La Salle Street, Chicago

*John Hancock*  
MUTUAL  
**LIFE INSURANCE COMPANY**  
OF BOSTON, MASSACHUSETTS

**WILLIAM M. HOUZE**

GENERAL AGENT

One La Salle Street Bldg.

Telephone: Randolph 9336  
CHICAGO, ILL.



## Tax Angle Is Used With Good Effect In Closing Cases

(CONTINUED FROM PAGE 9)

like amount were transferred to each of his four children, but we provided under this insurance that his wife should receive the income during her lifetime and after her death the income to pass to the children, as provided for under the insurance on which his wife has the incidents of ownership. N. H. Seefurth, in his 1937 Reference Volume, says: "Perhaps it will not be amiss to emphasize again that there is no necessary connection between the beneficiaries who are owners and who control during the lifetime of the insured and the beneficiaries who may share in the proceeds in the event of the insured's death." The agreements provide that should a child predecease the insured, the incidents of ownership will transfer automatically to his wife and his other three children, jointly.

"Now, while this appears to be a simple procedure, in reality it was not. There were difficulties surrounding this case from many angles, such as the medical, the electrocardiogram and x-ray, the number of companies, and the issue of the volume required. After the policies were issued, we had difficulty in getting the companies to write into their agreements the provisions asked for. To work out this program, the agreements had to be revised several times so each policy might be used to its best advantage. Of course, all this was done under the supervision of our local tax counsel.

### Know Attitude of Companies

"While we say this has been difficult, we now know the attitude of the various companies and just what they will do on any future cases we may have along these lines, so they should go through more expeditiously and with less worry on our part. We hope to capitalize on the experience derived from this case and are now working on several similar good prospects whom we hope to close.

"Another recent case, which I think was rather interesting, resulted from service I rendered in connection with a death claim of one of my policyholders who suddenly met with death in an automobile accident. This sale was not made directly from a tax angle, but it finally turned out that it had some very worthwhile tax features. The deceased policyholder had never been what we would call an insurance-minded individual. The information which I received on my first call on this man, together with the information which I had previously received from the client who had introduced us, justified the recommendation of a substantial life insurance program. When I made my second call with my proposal, one which I knew he was perfectly capable of going through with, I was unable to sell him on my recommendation, but he did buy a small amount of insurance from me, \$10,000 to be exact, more as a personal compliment to me than through his actual desire to increase his insurance protection. He had not allowed me to review his present insurance, so we temporarily made the policy payable to his wife in cash. He said he would give me his policies for review later, and while I made several attempts to get him to do so, the policy suddenly became a claim payable to his wife in a lump sum.

### Write to Carry on Business

"During completion of the papers in connection with the death claim, the widow told me that she intended carrying on the business of her husband, a sole proprietorship proposition, with the services of her husband's assistant, and she thought she should take out some insurance on her own life for the benefit of her three children,

as she felt she was now the breadwinner of the family and was in the same position toward her children as a father, as far as the need of protection was concerned. We discussed this matter and I suggested that she be examined, but she said she would like to talk it over with her attorney. Some time later Mrs. Brown came in to see me and said she had decided to purchase additional insurance and use the interest from the proceeds of the \$10,000 claim to pay the premium on the new insurance, as the income from the business was sufficient to more than meet her income needs. This apparently met with the approval of her attorney and she was examined. But on further consideration of all the circumstances surrounding her case, we decided it would be much to her advantage to take the \$10,000 claim proceeds and purchase a single premium life contract in the amount of \$20,000. This would give her the additional protection, freedom from premium commitments, yearly increasing cash values free from income tax and yielding a yearly non-taxable cash dividend.

### Why Recommendation Was Made

"Let me explain why I made this recommendation. Inasmuch as the deceased husband had not taken advantage of the income options under the \$10,000 death claim, the company would not grant the same provisions to the beneficiary as the insured was entitled to, and the only one who could be provided for under the income options was the widow herself. The children in event of her death would be required to receive cash and not income, and that was what she wanted to guard against. She wanted to provide income for her children, at least through their college period, and not subject their futures to the hazards of a lump sum settlement.

"In addition to our claim, the widow had received a check in the amount of \$10,000 from another company, which presented the same settlement difficulties as the insurance in my own company. She indicated that she would like to put this into the same kind of a contract, as she was so pleased with the single premium idea. This met with some opposition from her attorney, who thought that \$10,000 should be used to pay off a land contract which she owed on her home in the amount of \$10,500, on which she was compelled to pay \$150 a month. While this offered some advantage, it seemed to me it would be far more satisfactory from all angles—protection, security, investment, etc.—to use this money to purchase a second unit of single premium.

### Gets Away From Monthly Payments

"I suggested that we put these contracts up as collateral at the bank and secure a \$10,500 loan which would be used to pay off the land contract, thereby eliminating the \$150 per month commitment which she was required to pay on a certain date of each month. On this plan the interest would only be \$30 per month and the principal could be paid at times it would not be a drain on the business, it would give her much more flexibility, and a choice as to the amount she should pay and when she should pay it, particularly since her business was a seasonal one. And this plan would, of course, give her children additional coverage in event of her death.

"My client sought her attorney's opinion on this plan, and again he gave me opposition and challenged my ability to handle the deal. However, I had already arranged with the bank to accept the loan, and it was only a matter of bringing the principals together to consummate the transaction. This was done, and her picture is as follows: With the original \$20,000 of insurance proceeds she now has \$40,000 of life insurance, or double the protection, the contracts are paid up, on which the cash values are in-

## Life Man Can Study Methods of Knight of Roulette Table

Ways in which the technique of the professional gambler would be advantageous to the life insurance salesman were pointed out by A. J. Ostheimer, 3rd, of Philadelphia, speaking at the Million Dollar Round Table hour.

"Has it ever occurred to you how much all of us have in common with those gentlemen of chance who once roamed these parts playing roulette, faro and three-card monte?" he asked. "Do you realize how much our success could be enhanced if we had more of the innate ability of an expert gambler? Surely, it cannot be news that a great many of the worthwhile things depend upon a certain amount of good fortune or, as we commonly say, 'getting the breaks.' From the time we first make out a prospect's card until we finally close his file, we are truly engaged in playing an exciting game, one that is surprisingly similar to a poker game.

### Routine of Life Insurance Sale

"What is the routine of a life insurance sale? For some reason—sometimes for no reason—we select a name and then we try to interview Mr. Prospect. In so doing, are we not actually drawing a hand from the dealer? Perhaps we fail to get even two cards that look alike; or possibly a pair of fours; maybe two wild deuces, or even a potential full house. If we receive a promising hand, we will retire to our office with the acquired information and work up a definite proposal. At this stage, if we decide to stay in the game, we are really endeavoring to fill an outside straight or, perhaps, we have, shall we say, a hot hand. Finally, we go to see Mr. Prospect and we lay our ideas before him. If we have a good hand, and if we play our cards properly, we may earn a commission. But, on the contrary, we may be faced with a full house, meaning that Mr. Prospect is immovable, or even four aces, which would imply that he is uninsurable.

"Let us look a little closer at this analogy.

"An expert gambler must be a psychologist in order to encourage con-

creasing each year on a guaranteed basis, and the policy pays a dividend free from income tax. She has the deed to her home. The bank loan calls for an interest payment of only \$30 per month, and this interest payment is a deductible item from her income tax, which actually reduces the amount of her payment in that direction, and the life insurance dividend covers all the interest payment with the exception of about \$10 per month. It required some \$24,000 of the single premium insurance on which values existed sufficient to cover the loan from the bank and this \$24,000 of insurance was set up so that the excess over the loan would be paid to her children under income options, as well as the \$16,000 of insurance on which she retained control.

"The final outcome of this proposition was that the widow was so pleased she was almost insistent that she pay us for our services. The attorney on the case, who had been so cocky in the start, turned out to be one of our best friends. To show this, he purchased \$10,000 additional life insurance on his own life from me, and just a few days ago I met him on the street and he suggested that he was going to recommend to this widow that she retire from active management of the business and that she purchase business life insurance on the person whom they felt sure would be more capable of managing the business for her."

tributors to the pot. He must be artful, confident and composed. During one night's play, he must be a good loser in order to keep a door open for a future coup. Likewise, we insurance men should not allow our prospects to think, for a minute, that we are trying too hard to make a living, or that we regard them only as meal tickets. In each case we should have a well-developed plan, restrain ourselves, be self-confident, and content to bide our time. To go blundering along seeking only dollars, instead of clients, is often a fatal procedure.

### Can Never Appear Worried

"An expert gambler must have capital to carry him through when the cards run against him. He can never appear worried. Likewise, in our business, difficult problems cannot be solved, nor can substantial clients be acquired, if we are preoccupied with our own interests.

"An expert gambler must have a complete knowledge of percentages. He must know when he has an excellent hand, or when he has drawn a bust. Having found it unprofitable to bluff, he must know when to throw his cards away and withdraw from the game. Likewise, we can seldom afford to devote hours of work in seeking business against overwhelming odds. We should learn to recognize the hopeless or unprofitable cases.

"An expert gambler must play according to the same formula whether the chips cost 10 cents or \$100 apiece. The stakes must not affect either his judgment nor his actions. Likewise, we should handle ourselves with the same degree of perfection while developing a \$500,000 line or selling a \$1,000 term policy, refusing to allow ourselves to be concerned with the possible remuneration.

### Results Can't Be Foretold

"Last year, I spent three days and traveled 1,000 miles trying to see a man whom I thought could be a good prospect, but the trip was a waste of time. On the other hand, I recall investing nearly six weeks and a sizable amount of money in an exceedingly sound case. As a matter of fact, I felt just as you would if you were to draw a natural straight flush when the white chips cost \$10.

"In my opinion, if we could acquire the outstanding commendable characteristics of the professional gentleman of chance, we would find ourselves possessed with traits which—in a careful prospector, a diligent worker, a trained underwriter, and an artful closer—should add many members to the Round Table."

### Former Presidents on Hand

Former presidents of the National association on hand for the Denver meeting include Julian S. Myrick, New York; L. O. Schriver, Peoria, Ill.; J. W. Clegg, Philadelphia; John Newton Russell, Los Angeles; J. Stanley Edwards, Denver; C. C. Thompson, Seattle; S. T. Whatley, Hartford; Frank L. Jones, New York; A. E. Patterson, Philadelphia; George E. Lackey, Detroit; C. Vivian Anderson, Cincinnati; Graham C. Wells, New York.

### "Sesqui-centennial" Tough One

Julian Myrick got his tongue rather badly twisted over the word "sesqui-centennial" in connection with the celebration of the 150th anniversary of the adoption of the constitution of the United States, but secured the adoption without opposition of the resolution which he offered on behalf of the resolutions committee authorizing the participation by the National association in that celebration.

### Lindsley, Jacobshagen on Hand

Farmers & Bankers Life of Wichita was represented by President H. K. Lindsley and Secretary F. B. Jacobshagen.



# GREETINGS

To the National Association of Life Underwriters, meeting within the shadow of Colorado's magnificent peaks which so aptly symbolize the strength and permanence of life insurance, we Managers and General Agents of New York City extend our cordial greetings.

*Picture courtesy of Union Pacific Railroad*



  
**THE LUTHER-KEFFER AGENCY**  
*Aetna Life Insurance Company*  
 KENDRICK A. LUTHER—ROSCOE H. KEFFER  
 GENERAL AGENTS  
 100 William St.—51 E. 42nd St.  
 NEW YORK

**CLANCY D. CONNELL**  
*Provident Mutual Life Insurance Company*  
 99 John St., New York  
 BEekman 3-6131

**RIEHLE AGENCY EQUITABLE LIFE**  
 Equitable Suite  
 11th Floor, Pennsylvania Building  
 225 West 34th St., New York, N. Y.  
 Telephone: LACKawanna 4-4300

*The*  
**CHARLES B. KNIGHT AGENCY, Inc.**  
 GENERAL MANAGER  
*The Union Central Life Insurance Company*  
 225 Broadway, New York, N. Y.  
 Walter E. Barton, Pres. Paul S. Ranck, Vice-Pres.-Treas.

**THE J. ELLIOTT HALL AGENCY**  
*The Penn Mutual Life Insurance Co.*  
 30 Church Street  
 New York City

*The*  
**FRASER AGENCY**  
*Connecticut Mutual Life Insurance Co.*  
 Hartford, Conn.  
 JOHN M. FRASER, General Agent  
 149 Broadway, New York  
 Tel. BArlay 7-9300

  
**CLIFFORD L. McMULLEN**  
 GENERAL AGENT

*The*  
**JAMES ELTON BRAGG AGENCY**  
 of  
*The Guardian Life Insurance Company of America*  
 50 Union Square

**JULIAN S. MYRICK**  
 MANAGER  
*Mutual Life Insurance Company of New York*  
 57 William St.—"The Ives & Myrick Agency"  
 Tel. JOhn 4-4800

**Leon Gilbert Simon**  
 Associate General Agent  
**MARTIN T. FORD AGENCY**  
*Equitable Life Assurance Society*  
 225-241 West 34th Street  
 New York

*The*  
**WILLIAM H. BEERS AGENCY**  
*New England Mutual*  
 Empire State Bldg.—New York City  
 "Ideas Sell Life Insurance"

*Downtown Agency*  
**The PRUDENTIAL INSURANCE COMPANY of AMERICA**  
 Gerald A. Eubank, Manager  
 40th Floor—40 Wall Street  
 New York

## Telling Story of Life Insurance to Prospective Agent

(CONTINUED FROM PAGE 7)

The selling of life insurance is painting a mental picture using words as colors. The picture of what old age is likely to be unless a man has sufficient life insurance, or the picture of what his family would have to undergo if he were suddenly taken away.

Heretofore, it has been difficult to get people to look at those pictures and even if they did look at them, they would not believe them. In 1926-29, if you went to a man about 40 years of age and said: "My friend, hadn't you better put away some of this money into life insurance so that when you reach 60 you will be able to retire with an adequate income?" He would say, "Sixty years! Give me five years more of this and I'll be retired with my own motor boat, brand new home, a new automobile and plenty of time to enjoy them all." And, if you said to him, "My friend, five years from now you are likely to be walking the streets, going from office to office looking for a job," he would have looked at you with disgust.

### Now Know Pictures Are True

People now realize that the pictures we painted were true and it is not nearly as difficult as it used to be to get them to look at the pictures we paint.

Life insurance is at its zenith in public opinion, and rightly so. People believe now that life insurance is the foremost financial institution and they have ample reason to think so. Let me give you some instances:

In 1933, a man came into my office and threw a policy down on the corner of the desk and said, "How much can I borrow on this policy?" "I have never seen you before," I said, "and I have never seen that policy before, although I recognize it as one of ours, but I'll tell you this without examining it, that you can borrow on that policy just exactly what the policy said you could borrow at the time you took it out, and I don't know when that was." It was a \$1,000 20-year endowment, in force nine years.

"You can see here," I declared, "that after you have had this policy nine years, you can borrow \$304; now, that's the amount you can borrow." He looked surprised, and I said, "Didn't you expect to be able to get it?" "I didn't know what to expect," he replied.

### Fluctuated Again

"I have just returned from the bank. Three years ago, I purchased from that bank a \$1,000 bond paying 5 per cent interest. They told me I had better take a bond that paid only 5 per cent interest and be safe rather than a bond that paid 6 or 7 per cent.

"The coupons were payable semi-annually. I collected the cash from the first few coupons, but the one that is due now I am unable to cash, and the one that was due six months ago I couldn't cash either. So this morning I investigated. For this bond for which I paid \$1,000 and which now owes me \$50 interest, I can get \$7.50, and when you tell me I can get \$304 for this little policy, I am astonished."

### Counting Back 1,937 Years

Last year, the life companies of America paid out in cash a sum equal to \$2.40 a minute since Christ was born!

Can you wonder then that public opinion is so strong for life insurance?

During the last eight years, billions of dollars of insurance was cashed in because the owners had to have money. Those very men and women as the result of their ability to realize cash when they needed it so badly, are getting into the market for insurance once more.

Here is a \$1 bill. Would you give me 86 per cent for it? All right, would you give me \$86 for 100 of them? Then, I assume that if you had it handy, you would be willing to give \$860 for 1,000 of them, wouldn't you? But, you don't have the \$860 handy. I'll give you time in which to raise the \$860. Do you think you could raise \$860 in 20 years. If you will do that and give us one-twentieth of \$860 each year, when you have raised the \$860, we will give you 1,000 of these \$1 bills.

If during the 20 years you should have an emergency, possibly an illness, an accident, a note at the bank to meet, or some other demand for quick money, we will tell you today just exactly how much assistance we will give you five, 10 or 15 years from now.

You might have an opportunity to purchase a home possibly with a small down payment, a business, an automobile for cash, and again you would need money quickly. We will agree to come to your assistance and tell you just exactly how much assistance we will give you.

### Death Benefit

If you were taken out of the picture entirely during the 20 years, we will cancel all future payments and give 1,000 of these \$1 bills to whomever you say. How many of these would you like to purchase at 86c apiece with 20 years in which to pay for them?

Now, I didn't mention life insurance at all, did I? And yet that is just the common, ordinary 20-year endowment.

Do you think, Mr. Prospective Agent, if you worked hard, eight hours a day, six days a week, that you would be successful in getting an order each week for one or two thousand of these bills at 86 cents apiece with 20 years in which to pay for them? A little later on, I'll tell you just how much you would make if you are able to do that.

### Twenty Payment Life

You can take any amount of our merchandise, give us 3 per cent of its value and you can use it for a year. You can do that each year that you want the use of that amount of protection. At the end of 20 years you can quit and have the protection for the rest of your life without further cost. If you no longer wish to use our merchandise, you can discontinue it and get every cent of your money back. That is a policy with which you are entirely familiar—a 20-payment life.

Mr. Prospective Agent, do you own the house in which you live? No? You pay rent and the rent money comes out of your earnings. In the event that you are taken out of the picture, your family would still need to live in a house but there would be no income out of which to pay the rent.

### Straight Life Policy

How do you like this idea? Select any house in which your wife would wish to live permanently in the event of your death. Pay just the taxes on it during your lifetime and on your death at any time it will be deeded free and clear to your widow. You cannot live in it now, but at your death, your family will live in it and own it free and clear of all encumbrances. Does that appeal to you? I didn't mention life insurance to you. Just explained what a straight life policy could do for you.

You have a boy. I suppose you want him to go to college. It will be 15 years before he will have to go. It will require \$3,000 at the minimum. If you start now and set aside \$200 a year, when he is 18, you will have the necessary \$3,000, will you not?

### Four Standard Types

Deposit that \$200 with us and we will guarantee that your removal will make no difference at all to your college plan, because we will complete the \$200 payments each year until he is

18 years old, without the necessity of any more payments being made to us. If his death should occur before he reaches 18, we will pay you \$2,000, unless he dies before reaching age 6. In that event, we would pay you \$1,800 or \$2,400, depending on whether he were four or five years old.

I have given you only four of the standard types of insurance. Do you feel that in doing the things that I offered to do for you that I was giving something of great value, something that you couldn't get from any other institution except life insurance? Do you think after you have had a little practice you could present those and other types of insurance which will benefit your fellow citizens?

(If he answers favorably, then I proceed.)

### Company Makes No Difference

All that you have to do is to find someone in the market or create the market yourself for life insurance. The company makes absolutely no difference.

Only one automobile can be sold in the average family, or one washing machine, or one refrigerator, or one radio, and yet we have as many as seven to 10 policies in one family. You probably couldn't sell a stenographer an automobile, but you will find that stenographers would like to know that 10, 15 or 20 years from now they will have \$2,000 or \$3,000 in cash.

A man who lives in an apartment house might prove to be a poor prospect for an electric refrigerator, but he has a family that he wants to protect. Every person would like to know that they will have gold in their pocket when there is silver in their hair, and if you can prove to them that life insurance is the one best means of guaranteeing them ease in old age, you will have a customer for your product.

### Now, the Compensation

I asked you if you thought if you worked eight hours a day, six days a week, you could get an order each week for a thousand \$1 bills selling at 86 cents apiece with all payments canceled in the event of the death of the purchaser, and 1,000 \$1 bills paid to whomever the purchaser wished.

If you could do that, you would make an average of \$20 a week the first year. Next year you would make another \$2 each week on the order which you took the corresponding week of this year. And the year after, you would get another \$2. In other words, if you never sold any more nor any less than 1,000 \$1 bills each and every week, you would automatically raise your salary approximately 10 per cent each year.

If you worked a little harder, do you think you could find just one person a month who would want to use, say, \$5,000 worth of protection? If you could do that, you would increase your first year's income by approximately \$18 a week.

### Adding \$12 to Income

As you become better acquainted and learned more about organizing your time and planning your work, do you think you could find one man a month who was paying rent for his home and who would be willing to pay the taxes on it as well as the rent with the understanding that at his death, his family would own the property free and clear? That accomplishment would add at least \$12 a week more to your first year's earnings.

We now have your probable first year earning of \$50 a week.

You should soon regularly add a father who wants to guarantee his boy's or girl's complete education. Suppose you did that just once every four weeks. That would mean an additional \$20 a week in first year compensation.

### Sees \$500 a Month Income

If you never increase your production above these figures, and taking into consideration normal deaths and

## Nominator



P. B. HOBBS, Chicago

P. B. Hobbs, Equitable Life of New York, Chicago, as chairman of the nominating committee, had the onerous task of preparing the slate of officers which was submitted to the national council for ratification at its meeting Wednesday afternoon.

lapses, 10 years from now your income will be approximately \$500 per month. Would you be satisfied with an income like that?

The income of the insurance salesman continues months and years after he has sold his last policy, providing financial independence in old age.

### 48 Millionaires at Party

The party for members of the Million Dollar Round Table in Colorado Springs over the week-end was attended by 48. That is about 15 more than were expected. One day the millionaires ascended Pikes Peak. They had a golf tournament. At the hotel they gathered at a separate table.

### Four Accompany O. J. Arnold

From the Northwestern National head office, in addition to President O. J. Arnold, who is one of the convention speakers, there are: Carl S. Peterson, J. S. Hale, W. R. Jenkins, and Alan Kennedy.

### Lacy Flies to Meeting

O. J. Lacy, president, California-Western States Life, flew from Sacramento for the convention.

### Barmore Represents Federal

George Barmore, superintendent of agencies, Federal Life, came to Denver from Texas, where he had been making an agency trip.

### Service Bureau Head Attends

Lee N. Parker, president, American Service Bureau of Chicago, arrived Saturday morning.

### Herman Lasker Millionaire

Herman Lasker of St. Paul and Eau Claire, Wis., qualifies for membership in the Million Dollar Round Table Club. He has been associated with the St. Paul agency of Mutual Life since 1926. He has consistently ranked among the leading producers for his company. He is vice-president of his company's Quarter-Million Dollar Field Club and qualified in the first month of the 1937-1938 field club year, with a production of in excess of \$250,000.



## Only Slight Gain In Membership for Year Is Reported

(CONTINUED FROM PAGE 8)

If they didn't pay then, they were dropped. Under the new plan there was \$660 more in the treasury than at the end of the previous year. There was money to do things. In regard to managers advancing the money for their men, he said they were the best judges of the credit risk. If an agent was not good enough for the manager to make the advance, he wasn't a good man for the association.

He told of the caravan plan worked out in California, under which groups from San Francisco and Los Angeles visited the smaller associations, working toward each other and then back again. Mr. Zimmerman endorsed that idea very strongly and suggested that other large cities which have a number of smaller associations in their territory might well take it up.

### How St. Louis Made Gain

Adam Rosenthal reported for St. Louis, which went up from 383 to 623. He said the association decided to favor members over non-members. The latter were charged an extra fee for attending the meetings, which was credited on their dues if they joined. A series of estate clinics was conducted for members only, held from 3:30 to 4:45 p.m. Outstanding speakers were secured for the first two and at the third a demonstration of actual probate court procedure was given, with probate court officials, an attorney, trust officer and administrator taking part.

Mr. Zimmerman said that at the time of the flood the Louisville association was offered an extension of time for paying dues but sent back word that it wanted no favors, and increased its membership from 76 to 149. Edward Baker reported for that association, stressing the possibilities among weekly premium men, but said it is necessary to do something to get them interested. A weekly premium man was co-chairman of the membership committee. Mr. Baker said he is in that field himself and is therefore in a position to realize its potentialities.

### "Deduct System" Recognized

Louie Thorgmorton of Shreveport, La., which moved up from 39 to 106, stressed the necessity for cooperation with general agents and managers. The membership committee found out who were the "bolsheviks" in each office and got them lined up. Out of 127 agents in Shreveport, 117 have now been signed up. The "deduct system" was used. "You can't get along without it in the south," he said.

Lyman E. King of Topeka, which made an increase from 33 to 48, said the work was carried on there in a two-day drive, when half the life insurance men in Topeka didn't solicit insurance at all, but solicited membership prospects. The association was divided into four-man teams and each man on a team was told to check up on the other three. Prospects were obtained from the license lists in the insurance department.

### Trophy Winner Heard From

William Tiffany, president of the Scranton, Pa., association, which won the Charles Jerome Edwards Trophy by an increase from 15 to 216, gave most of the credit to W. B. Wagner, chairman of the membership committee, and presented a report prepared by Mr. Wagner. The first step was to call on the general agents and managers and secure their cooperation. A sub-committee known as the contact committee was created, composed of one man from each office, to follow through.

In the meetings held during the campaign, outstanding speakers were secured. The three essentials stressed

were (1) diversification in membership, (2) holding meetings regularly, with such topics as will stir interest, and (3) an organization that will follow through.

Mortimer Buckley of Chicago described in some detail the careful organization that enabled that association to go up from 1,070 to 1,260. Twelve teams were formed, composed of 10 agents each. A card index was set up for each agency, listing members and non-members. A big chart was prepared, showing the progress of the campaign, a large replica of which was displayed during Mr. Buckley's talk, and also a thermometer showing the rise each day. News releases were sent out from time to time. All this created much rivalry among agencies and resulted in increasing the number of 100 per cent agencies from seven to 22.

Mr. Buckley also told of the all-Chicago sales congress last December, which was so popular that it is to be repeated this year, and the interest manifested in the roster published each spring, as factors in membership work. He said the association's goal is 2,000 members.

In summarizing the points brought out, Mr. Zimmerman said the experience of these associations seems to

## More People Hit By Tax as Limits Are Made Lower

(CONTINUED FROM PAGE 8)

on usual sales psychology prompted by sincere doubts as to insurability. Instead of advocating increased insurance to cover the rapidly rising death duties on an increasing estate, the doctrine of 'giving while living' was advocated instead. The psychology of thought, in brief, may be summarized as follows: Wills are sometimes cold and unfair documents, not at all conforming to the needs or just deserts of each heir. Why not make, in part, a living administration, giving now:

(1) While heirs are in their years of

show that five things are essential to securing a substantial increase in membership: (1) Have a good membership committee; (2) visualize and dramatize the advantages of membership; (4) good meetings and good service; (5) standardize the collection of dues and get the cooperation of general agents and managers on that point.

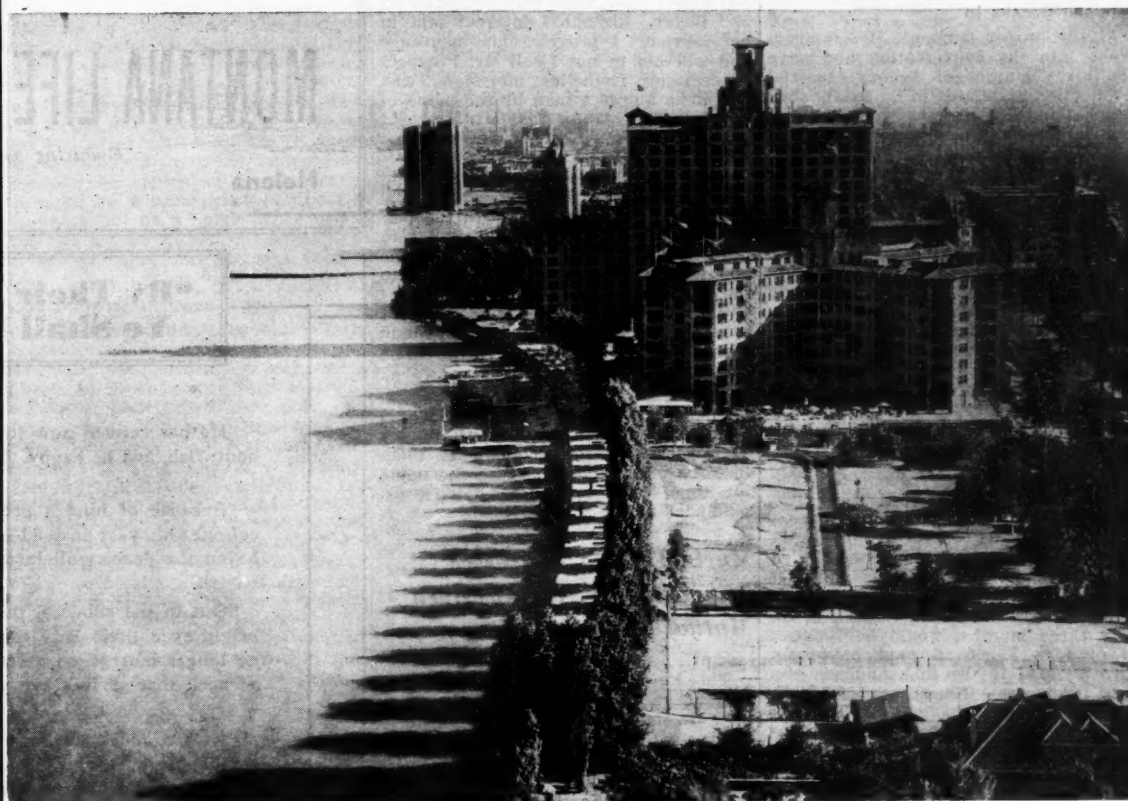
greatest need for their dependents; (2) while you are here to enjoy their living gratitude; (3) while they are young enough to enjoy your beneficence; (4) while you are here to give them financial counsel; (5) to see how they react to present means and then reshape your eventual will accordingly; (6) and finally, to reduce the heavy death duties and make present insurance adequate to cover death duties.

"All this, however, should make any gifts predicated on guaranteeing fixed income for the donor before making living distribution. In this case, over \$153,000 of annuities were purchased by the donor and wife and irrevocable trusts set up. But the ensuing by-products, mark you, have been continuous, for the heirs, instead of postponing eventual increase in their own life insurance programs until inheritance by death, have now become present active clients.

"These illustrations are given merely to demonstrate that for my own methods, I find it best to know taxes, talk life, but sell insurance."

A. A. McFall, vice president and superintendent of agencies of Columbian National Life, made the trip from Boston.

# EDGEWATER BEACH HOTEL



## Your Convention Headquarters

More than 100 Insurance Organizations have chosen this unique Hotel on the beautiful shores of Lake Michigan as their meeting place. Ideally located with all modern facilities and unexcelled service for your every comfort and convenience it has played the role of the understanding host to the Insurance Fraternity year after year.

Make the Edgewater Beach Hotel your Convention Headquarters in Chicago—all the luxury and refinement that a private club would afford are yours.

ON LAKE MICHIGAN . . . . . 5300 BLOCK . . . . . SHERIDAN ROAD

# In CHICAGO

## Phil Hobbs Named New Chairman; Succeeds Cummings

(CONTINUED FROM PAGE 7)

Walter Gastil, Connecticut General, Los Angeles.

Holgar Johnson, Penn Mutual, Pittsburgh.

Percy L. Corbin, New York Life, Denver.

Neil Nettleship, California Western States Life, San Diego.

Mr. Day asked the audience to transport themselves into the club car of a de luxe train, as rubbernecks, overhearing a conversation among these six on the recruiting problem.

### Rothaermel's Paper Read

W. M. Rothaermel, who, until recently was central department supervisor of Equitable Society, was scheduled to open this conversation with a talk on "Territorial Survey—Picture of Agency to Be Built." At the last minute, Mr. Rothaermel found that he was unable to keep the engagement. In the emergency, Holgar Johnson was drafted. He handled the situation smoothly by saying he had recently seen an article in point by Mr. Rothaermel. He took the article that Mr. Rothaermel had prepared for the occasion and transposed it into the third person style.

### Jamison Breaks In

At the proper moment, Mr. Jamison broke into the conversation and gave his talk, "Sources of Agency Material—Selection Standards to Be Established and Followed." He was well prepared and had a wealth of material derived from a Research Bureau survey.

Mr. Gastil discussed the problem of the agency manager who decides to introduce a new deal, induct high type agents, subject them to discipline, provide the best in training, etc., but is loaded with poor, undisciplined producers at the time. This panelist said he was confronted with such a situation three years ago. He proceeded to clean house, knowing that the new type of recruit would be dissatisfied to be housed with failures. There were 12 old agents doing a total business of less than \$1,000,000.

### Called the Group Together

Mr. Gastil called this group together. He undertook to convince them that the new deal was in their best interest. They would have to conform, he warned, or get out. He outlined the requirements as to discipline and told what would be provided in the way of supervision and training. Each, in the next three months, would be required to produce \$1,000 in paid premiums. Two buckled to the task and are now good producers. The others left in the course of time.

A standard of performance was set up for the new agent. He must produce some business in his first 60 days, must have \$300 paid premiums his first six months, \$700 in the first nine months, \$1,200 in the first year and must produce in the second year \$500 a quarter. At the end of the second year he becomes an "old agent."

### Old Agent's Requirement

The old agent must produce \$1,000 each quarter, with four paid cases a month, two of which must be life policies.

If an agent drops behind in any quarter he is given a treatment. He is called into conference and told that he must have \$1,000 written premiums the next three months. His work and plans are reviewed and criticized. He is given two weeks to get his records in order, including prospect file, etc. He must present a daily summary of activity and engagements are made for future conferences. He must engage three days a week in joint work with the supervisor.

If he can't make his quota then or refuses to conform to the program, he is classed as a hopeless agent and unless he shows some spark that promises regeneration, he is dropped.

Mr. Gastil said he got rid of the rotten apples that would have contaminated the others. As his producers did better, the prestige of the agency was enhanced and prospecting became easier. He started with 12 men doing a poor job. By the end of the year 11 men in the agency qualified for the company convention. He said he would rather have empty desks in the agency than to have one disreputable man in the office.

Mr. Gastil's presentation concluded the morning session.

Following a Dutch lunch, most of the audience returned to hear the rest of the panelists—Strong, Corbin, and Nettleship. Mr. Strong's effort was especially well received. The audience rose at the end to give the performers a prolonged ovation. Mr. Cummings made his announcements. Mr. White reported for the nominating committee.

## In Prospecting, Give Client Name Instead of Asking It

(CONTINUED FROM PAGE 9)

man, but Z is worth \$250,000 and has a high income. Mr. Buyer further states that a recommendation from Mr. Prospect would place me ace-high with Mr. Z. I then call on Mr. Prospect and tell him I have been recommended by Mr. Buyer. Assume I interest him in my service. I program his insurance and whether or not I sell Mr. Prospect immediately, in the last interview, I ask him if he knows a man by the name of Z (of course, I know that Mr. Prospect knows Z, because Mr. Buyer told me so!)

Nine times out of ten, Mr. Prospect boasts about his friendship with Z and allows me to call on him with the permission of using his name, and two times out of ten, Mr. Prospect picks up the receiver, builds my work to the sky and arranges an appointment with Z for me. At the same time, I ask Mr. Prospect whom Z pals around with and invariably I repeat the same experience I had with Mr. Buyer.

By using the method I have explained, I usually have two or three names to suggest to my new or old centers of influence. I don't ask them to think of a name—I secure the name for them by the process I have explained.

## Merle Thorpe Addresses Luncheon of Northwestern Mutual Representatives

The Northwestern Mutual Life contingent gathered at a luncheon Tuesday. A short talk was made by Merle Thorpe, editor "Nation's Business," and a Northwestern Mutual trustee, who addressed the policyholders' meeting Tuesday evening. From the head office came Grant L. Hill, superintendent of agencies; Urban Poindexter, assistant superintendent, and Ray Chapman of the agency department. Northwestern Mutual always has a large representation at these conventions. This year there are about 75.

## Schmedeman, Parker Together

A. G. Schmedeman, supervisor at the head office of National Guardian Life, Madison, Wis., and Paul A. Parker, superintendent of agencies Old Line Life of Milwaukee, journeyed to Denver together.

## John H. Leaver Entertains

John H. Leaver, vice president Central Life of Iowa, was host at a luncheon Tuesday for the half dozen representatives of his company in attendance.

*In the wide open spaces  
of the west,*

*The latchstring is always out  
for members of the  
National Association of  
Life Underwriters*

# MONTANA LIFE INSURANCE CO.

*Enduring as the Mountains*

Helena

Montana

## "By Their Fruits Ye Shall Know Them"

"He has retired now to a little home on the river to hunt, fish, and be happy. But his work goes on.

"Because of him, a promising young man will enter college this year instead of having to go to work. He'll be on the dean's roll instead of the payroll.

"Out in the suburbs, there is a cozy cottage where a bright-eyed little lady tends her flowers. The home is no longer mortgaged. Her modest expenses are met by a check that arrives every month.

"A man and his wife are making their twilight years the happiest, enjoying successions of sun-drenched days at different ports of call, safe from the wrath of winter.

"All over the city, people are pursuing happy, unharmed lives because of this man's work. Yet, most of them do not even know his name. Those who are the gainers have never seen him. He was an *Insurance Salesman*."

**LIFE**  
INSURANCE COMPANY of  
**VIRGINIA**

Home Office: RICHMOND  
BRADFORD H. WALKER, President



## Jack Lauer Named As Head of Next Year's Round Table

(CONTINUED FROM PAGE 9)

than \$10 instead of \$5 and arrangements were made for taking care of the deficit incurred this year.

The new chairman is one of the most popular and hard-working members of the round table. He has qualified for membership every year since he started. In fact, he has never written less than a million any year since he entered the business 15 years ago. His production has averaged about \$1,250,000 a year for that period. He was with the Penn Mutual in Cincinnati for 14½ years, leaving that company only a few months ago to open an office as an independent producer. He has been a member of the executive committee the past year.

### Great Ovation for Taggart

Chairman Taggart was given a tremendous ovation when he formally opened the session. He expressed regrets that all the members of the round table could not have taken part in the outing at Colorado Springs. There were 41 in attendance, the arrangements being made by H. G. Mosler.

Greetings were extended by Governor Ammons of Colorado and Mayor Stapleton of Denver. Governor Miller of Wyoming had also been expected but was unable to attend.

S. F. Muter, of Kitchener, president Canadian Life Underwriters Association, spoke for that association. T. M. Riehle, president National association; A. E. Patterson and L. O. Schriver, past presidents, were introduced and spoke briefly. All paid high tribute to Chairman Taggart. Presidents O. J. Arnold, Northwestern National Life; Clarence J. Daly, Capitol Life, and O. J. Lacy, California-Western States Life, spoke for the companies. Commissioners Jackson Cochrane of Colorado and A. J. Ham of Wyoming represented the supervisory officials.

### Welcome Extended for Denver

C. Earl Davis, president Colorado Association of Life Underwriters, and Isadore Samuels, general convention chairman, extended a welcome from the local life men. Past chairmen of the round table were also introduced, including W. M. Duff, Pittsburgh; George E. Lackey, Detroit; Robert A. Brown, Los Angeles; M. J. Donnelly, New Castle, Pa.; Caleb R. Smith, Ann Arbor, Mich.; and H. T. Wright, Equitable of New York, Chicago. New members of the round table also were introduced, as was R. B. Hull, managing director national association, who was late in arriving.

### Unique Gavel for Wright

In accordance with an established custom, Chairman Taggart presented a gavel to his predecessor, Harry T. Wright, Equitable of New York, Chicago. But this gavel was decidedly different. The stand itself was made from moose horn and the gavel itself from elk horn.

"This gavel has been fashioned from the very life of the West," Mr. Taggart said. "Through what western fastnesses of mountains and forests these bits of antlers have gone, no one will ever know."

"I did not want this to be just another gavel. I wanted it to be richly symbolic—not only in terms of its position in this organization, but also symbolic of the great West where we are now assembled and of all the West stands for—bigness, cleanness, rugged hard work, and above all, friendliness."

Presentations were also made to Jack Lauer and Paul C. Sanborn, members of the executive committee, and H. G. Mosler, chairman of the pre-convention outing.

Prior to the regular speaking program, a number of musical selections

were furnished by the "Cowboys on Parade."

### Protection for American Home

The first formal speaker was Caleb R. Smith, Massachusetts Mutual, Ann Arbor, Mich., on "Life Insurance as Protection to the American Home." He pointed out that women are the beneficiaries under 70 per cent of life policies and the prominent position women are taking in American life today. He urged the writing of policies on the income plan. He cited the larger average size of policies on the income basis and the value of that plan to the beneficiary. He makes the approach on the plan by suggesting that the prospect insure his insurance. He referred to specific cases illustrating the advantages of the plan.

### Behr Talks on Prospecting

Louis Behr, Equitable Life of New York, Chicago, speaking on "Prospecting," said that serving his immediate prospects and clients properly, even though the majority of the service does not lead to immediate business, is the most potent manner of prospecting. However, in securing a reference to a prospect from a center of influence, instead of asking for a name, he actually gives him one, the name, of course, being that of a person whom he knows that his policyholder knows. He believes that when an agent has worked out a good prospecting method, he should stick to it and not hunt around for something that may be better.

Speaking on "Volume Through Many Lives," H. T. Wright, immediate past chairman of the round table, emphasized the point that big producers can't afford to pass up the smaller cases. Aside from the additional service rendered to policyholders, he said they will in the end mean greater total volume and more income for the producer. He said every man in the business has to make the choice as to whether he wants to be a substantial producer, a general agent or a home office executive, and he pointed out the advantages in concentrating on personal production.

### Good Pointers in Open Forum

In the open forum, three-minute talks on specific cases or sales methods they have used with success, largely on the subject of prospecting, were given by Ron Stever, Equitable of New York, Pasadena, Cal.; Marvin Sherman, Equitable, Los Angeles; Hyman Rogal, Reliance Life, Pittsburgh; Phinehas Prouty, Jr., Massachusetts Mutual, Los Angeles; T. G. Murrell, Mutual Benefit Life, Los Angeles; Malcolm D. Vail, Chicago; A. J. Ostheimer, 3rd, Philadelphia; B. H. Wulfkoetter, Cincinnati; Julian Schwalb, Indianapolis; Dix Teachenor, Kansas City Life, Kansas City; A. C. Bayless, Southland Life, Houston, Texas; M. J. Donnelly, Equitable of New York, New Castle, Pa.; John O. Todd, Northwestern Mutual, Minneapolis; Stanley E. Martin, State Mutual, Columbus, O.; R. U. Darby, Massachusetts Mutual, Baltimore; Caleb R. Smith, and Walter N. Hiller, Penn Mutual, Chicago.

At the opening of the afternoon session, Chairman Taggart presented some interesting statistics brought out by the questionnaires sent to members of the round table.

### Cooperation With Attorneys Urged

George E. Lackey, Massachusetts Mutual, Detroit, former round table chairman, who has been for several years chairman of the National association's committee on cooperation with attorneys, spoke on the opportunities in such cooperation. He said that as the million dollar producer naturally represents the real leadership in the business, it is of especial importance and value to him to establish friendly relations with the lawyer, "to the end that our citizenship can better be served and at least approach dying at par." He reviewed his own work in that connection in talking to joint meetings of attorneys and life underwriters,

sponsored by both groups, and paid especial tribute to the assistance given by Roger Hull and by Irvin Bendiner of Philadelphia. He reviewed the procedure followed by Frederick Bruchholz, immediate past president of the Chicago association, in setting up a meeting there which Mr. Lackey addressed, and the work done by Phinehas Prouty, Jr., of Los Angeles, quoting the questionnaire sent to all members of the Los Angeles association and to general agents and managers there.

Concluding the symposium on taxation, N. H. Seefurth of Chicago discussed the law just passed to plug tax evasion loopholes, reviewing the provisions of the bill as introduced by stating that he did not know what changes might have been made from this draft in the measure as finally passed. He expressed doubt as to whether there would be such changes in the tax laws as to interfere seriously with the business of the million-dollar writers. They are able to adjust themselves to changing conditions. He considers a more permanent tax bill at the next session of congress possible. Numerous changes are to be expected, but again it will be possible to meet whatever situation may arise. The fundamental principle of tax sales, he said, is to set up separate taxable entities.

The trend today is toward the breaking up of large estates, and the trend in life insurance selling is away from large cases. Taxation of the rich has reached its limit and the next move will be an increase on the lower brackets. That means a great extension of the field for the tax approach, Mr. Seefurth said. He declared the coming year offers the greatest opportunity ever for the use of insurance for tax purposes.

Numerous questions were asked of Mr. Seefurth in regard to various tax questions.

Mr. Lackey said he thought his agency has more round table members than any one of which he knows, and that he is using the round table to stimulate his producers and build business for himself. He referred to the record of Hugh C. White, who closed a million-dollar case last January and qualified for the round table in one day.

### Talks On Business Insurance

The prepared talks at the afternoon session were all on two subjects, business insurance and taxation.

"Business Insurance" was discussed by two speakers, Eugene B. Stinde, Northwestern Mutual, St. Louis, and Paul C. Sanborn of Boston. Mr. Stinde emphasized the creation of reserves for a corporation through life insurance. Many have set up reserves, which were really not reserves, in time of emergency. The time when a corporation needs additional surplus the most is when the creative fire dies out.

Mr. Sanborn said he does not regard business insurance as the most desirable business. The ideal basis for million-dollar production is the writing of 100 or more cases a year, but he said his other duties would not allow that in his case and that he had turned to business insurance on that account.

### Be Careful in Approach

He warned that it is necessary to be careful in methods of pre-approach, and particularly to avoid soliciting the wrong man. He urged sticking to a simple plan and pointed out the danger in becoming a party to any corporate agreement in connection with a stock purchase plan.

The talk by Paul W. Cook, general agent, Mutual Benefit Life, Chicago on "Business vs. Minority Stock Interests," continued the discussion of business insurance. He said it is frequently necessary to recognize the human equation and modify a plan to compromise with it. Looking at a business picture from the outside, things may apparently be harmonious but closer investigation will prove that such is not the case. The viewpoints of the majority and minority interests may be virtually

irreconcilable. It is often easier, he said, to sell one plan to the three. He then outlined a plan by which the different interests could be cared for.

In the open forum which followed, many questions on various phases of business insurance were addressed to the three speakers. Walter Hiller said a question frequently asked is: "How's business, how's business insurance?" adding that in his own experience it was much better the past year than for some years previous. Several of those present expressed similar views.

## Golden Anniversary Party of Mutual Benefit Denver Agency In Troutdale Saturday

W. R. Wilkerson is staging a function at Troutdale-in-the-Pines Saturday that marks the golden anniversary of the Mutual Benefit's Rocky Mountain agency. He is the present general agent. The office was established in 1887 by G. A. Newkirk.

W. D. Morton will act as chairman at the afternoon session. A. J. Riley, underwriting executive from the head office, will speak on "Underwriting Rules." Paul W. Cook, new Mutual Benefit Chicago general agent, will be heard on "Motivation in Life Insurance Selling."

"A Quota Busting Formula" is the topic of A. V. Youngman, production manager New York agency, Vice-President Oliver Thurman will talk on "Mutual Benefit Traditions." The final speaker will be H. G. Kenagy, superintendent of agencies, on "Successful Agents."

Mr. Wilkerson will be toastmaster at the dinner. A. Norman Dempsey will speak on "Reminiscences of Denver Agency," and G. Franklin Ream, assistant superintendent of agencies, on "A Golden Anniversary."

## Aetna Life Executives Have Three Full Convention Weeks

From the head office of Aetna Life are Vice-President S. T. Whatley, R. B. Coolidge, superintendent of agencies, and Nick De Nezzo, supervisor of field service. Mr. Coolidge is one of the convention speakers. Aetna Life is having its western regional conference in Colorado Springs next week with about 450 in attendance. The following week comes the eastern regional at Virginia Beach. Mr. Whatley expects to steal two or three days between times for some unconventional fishing.

### Cassidy, Baumann on Fishing Trip

H. K. Cassidy, Pacific Mutual, San Francisco, and Jul Baumann, Pacific Mutual, Houston, went on a fishing trip together for a few days before the convention.

### Capitol Life's Convention

The Capitol Life held a convention in Denver the end of last week attended by 40 of its leading producers who qualified by production. Most of them stayed over for the meeting this week.

Addresses were made by President Clarence J. Daly and other officers of the company and by a number of the agents. There were no outside speakers.

### Columbus Mutual Party

Immediately following their annual agency convention in Cedar Point, O., a party of Columbus Mutual men motored to Denver. They are James A. Preston, sales manager, Conn Moose of Omaha, former Nebraska commissioner, now western supervisor and Edward Danford from the head office agency.

### George Hunt Makes Trip

George Hunt, vice president, was the New England Mutual's head office representative.

## PROSPECTS

Prospecting is the bug-bear of many experienced Life Insurance men.

Federal Life—one of the pioneers in the development of low cost Accident policies sold through newspapers to their readers—has created a vast field of satisfied customers who in turn have become the best of prospects for our Field Representatives. Thousands of them have invested in Life Insurance or additional Health - Accident protection.

In the few years our Newspaper Department has been in existence we have paid nearly Eleven Million Dollars in claims to newspaper policyholders and their beneficiaries and have many hundreds of thousands of these policies in force.

Federal's field men have found these leads invaluable and appreciate to the full the widespread advertising and public esteem built through our newspaper connections.

We have some openings in newspaper territories (where these prospect leads are available) for experienced and qualified agents and managers. Confidential correspondence is invited.

**FEDERAL LIFE INSURANCE CO.**  
ISAAC MILLER HAMILTON, President  
**CHICAGO, ILLINOIS**

Address: George Barmore  
Vice President and  
Superintendent of Agents

## To 20 Men at Denver ...

To the twenty men listed below, who are guests of The Midwest Life Insurance Company at the National Underwriters Convention at Denver, the company extends greetings and congratulations for their leadership of the field force in making a SIXTY-NINE per cent gain in new business during 1937 to date.

W. J. KNESS  
Iowa  
C. E. PORTER  
Kansas  
ARCHIE C. MILLER  
Iowa  
J. M. URDIL  
Nebraska  
BURTON ECKHART  
Iowa  
J. T. MAILLIE  
Iowa  
ROY F. WATSON  
Nebraska  
W. T. ELLIS  
Iowa  
ALVIN HOLLE  
Nebraska  
HOBART L. CHEYNE  
Kansas

O. J. TOKHEIM  
Iowa  
GLENN A. ETHRIDGE  
Nebraska  
L. J. WITTENBERGER  
Nebraska  
C. E. ISENHOUR  
Nebraska  
PAUL SCHOENING  
Iowa  
C. R. LOGAN  
Nebraska  
L. E. HARTZELL  
Kansas  
J. R. BOYLE  
Nebraska  
JOHN F. NABITY  
Nebraska  
J. LOGAN THAYER  
Kansas

**The MIDWEST Life**  
**INSURANCE COMPANY**  
of LINCOLN, NEBRASKA

W. W. PUTNEY, Pres.

V. L. THOMPSON, Agcy. Mgr.

## Going Forward in 1937...

At the close of the first six months of 1937, our records show the following results:

Insurance Issued (net)	\$12,098,885
A Gain, over the first six months of 1936, of	22½ %
Total Insurance in Force	\$130,309,269
Gain in Assets	708,045

These outstanding results, at the half-way mark of the current year, were achieved by a well-trained loyal Agency force working under a result-getting production plan that has been developed by an Agency-minded Home Office Staff.

**WOULD YOU LIKE TO KNOW WHAT THE PLAN CONSISTS OF?**



If so, direct your letter to  
A. B. OLSON, Agency Vice-President

**GUARANTEE MUTUAL LIFE COMPANY**  
OMAHA, NEBRASKA  
Organized 1901

Licensed in 21 States and the  
District of Columbia



## Registration Nearly 1,500 as Denver Convention Opens

Continued from Page 5

All day the Million Dollar Round Table held forth; all day the General Agents and Managers Section was in progress; all day the women underwriters were meeting. That evening came the great policyholders gathering of 7,000. (That many were actually there.) That was a brand new feature of convention week. Due to its success it will doubtless now become a fixture. It will be important to have a program that will match the crowd. At Denver Merle Thorpe, editor of "Nation's Business" met the demand more than adequately.

### Second Time for Riehle

T. M. Riehle, who is usually described as dynamic, was on the rostrum Wednesday morning for the second time in his career as National association president. Once before he fought for it. This time it was handed to him. He was appointed last December to complete the term when A. E. Patterson became Penn Mutual vice-president.

The opening ceremonies were colorful and the crowd had an expectant attitude.

### Stage Is Filled

On the stage were seated about 40 dignitaries—trustees, speakers, greeters, members of the Million Dollar Round Table. After a warming-up period under the direction of the comedy song leader, Jules Brazil of Miami, the singing of "America" took place, then the invocation by the Rev. Martin E. Anderson of Denver.

C. Earl Davis, Provident Mutual, president Colorado association, gave the welcome. Mayor Stapleton of Denver gave another. In the course of his talk, he caused those campaigning for St. Louis in 1938 to shudder, for he remarked: "It looks as if this convention will be held in Houston next year." Of course, that was the signal for some noisy applause on the part of Houston boosters. Colorado Supreme Court Justice N. C. Bakke brought greetings in behalf of the governor.

Commissioner A. J. Ham of Wyoming was the first "special guest" to be introduced. He was the official spokesman for the National Association of Insurance Commissioners.

### Bruce Shepherd Is Heard

Bruce Shepherd of New York spoke in behalf of the Life Presidents' association. He substituted for Vincent P. Whitsitt, who has been conveying these greetings for many years.

Col. C. B. Robbins, manager American Life Convention, appeared in behalf of his organization.

Henry E. North of San Francisco, vice president Metropolitan Life, was the greeter from the Life Agency Officers' Association.

### Message From Canada

S. F. Muter of Kitchener, Ont., spoke for the Canadian Life Underwriters Association, of which he is president. He is a salty personality and he panicked the life underwriters with a German beer drinking story in dialect.

Mr. Riehle read a letter of greetings from President Roosevelt.

Mr. Riehle then gave his presidential message. He sketched briefly some of the work of the National association. He named some of the leaders who were on the stage, gave them a word of praise, and had them take a bow. Among those who got a "call" were Robert L. Jones, O. Sam Cummings, Holgar Johnson, Rankin Furey, C. J. Zimmerman, and Frank Summers.

Mr. Riehle mentioned the project to improve the standard of agency service.

He said he derives great strength

from the statistics of life insurance. From the Revolutionary war to the present, distributions by the veterans' bureau in the way of pensions, etc., have been about 21 billion dollars. In the last 92 years life companies have paid out in contractual obligations about 42 billion dollars.

Then came a musical selection, the contribution of the Houston contingent.

That disposed of the preliminaries. Mr. Riehle turned the gavel over to Grant Taggart and the procession of Millionaire speakers started.

Wednesday afternoon the convention is being broken into three departments or seminars. The supervisors are having a luncheon meeting. Late in the afternoon comes the national council's election meeting. This evening is the president's ball.

### Taggart Introduces "Millionaires"

In introducing the "millionaires" who were to take part in the Million Dollar Round Table hour, Chairman Grant Taggart said his contact with that group has caused him to realize as never before that there is no substitute for well-directed planning and hard work.

"Every one of the 'millionaires' you see on the platform," he said, "has learned that if one would really become outstanding in this business, he must plan well and work hard. Million dollar producers are made in no other way. Haphazard planning and desultory effort have no place in the larger producers' scheme. The majority, I am sure, have a definite plan of prospecting and interviewing and they stick to it."

### Not Cheap or Easy Business

"They believe in themselves, in the business they are in. In short, they believe in the great institution of life insurance itself. They know this is not a cheap business and they know (how they know!) it is anything but an easy business. They did not go into it because they were broke and had nothing else to do. They chose this profession and they intend to stay in it."

Stanley E. Martin of the State Mutual in Columbus, who was "discovered" at the Milwaukee convention in 1934, again made the welkin ring in Denver with a vivacious address. He is a most personable young man, who isn't afraid of sentiment. The point he made is that courage is required to sell life insurance, to sell it by making the prospect visualize his family's plight in the event he dies penniless. Mr. Martin puts the family right down in the gutter, so to speak, under those circumstances. One of his awful examples is a widow reduced to laboring as a charwoman in an office building. The agent, he said, must assume the responsibility of making men face the facts.

Ron Stever, district manager at Pasadena, Calif., for Equitable Society, speaking on the subject "Viewpoints From a Young Millionaire," recommended that agents establish goals for themselves that represent enjoyment such as membership in a country club, the ownership of another automobile, ocean trips, etc. Such objectives are much more stimulating, he contended, than merely working to pay bills and balance the budget. He said he projected several such objectives to be reached within a period of five years, but because of the stimulating effect he reached the goal in two years and found himself in the position of being able to add a few more enjoyments.

John O. Todd, Northwestern Mutual, Minneapolis, presented four charts that he employs as a standardized programming instrument. Practically any situation can be handled in this way, he contended. This, he said, is a method for making the program create the sale and at the same time making the creation of the sale lay out the endorsements of the program itself.

Speaking on "Big Volume Through

Many Cases," Dix Teachener, Kansas City Life, Kansas City, Mo., declared that the number of interviews obtained each day is probably a most important factor in building up big production. He advocated stressing the income idea and the happiness which income will bring, rather than "backing up the hearse" and dwelling on the gloomy side.

A. J. Ostheimer, 3rd, Philadelphia, suggested that the life insurance producer really has much in common with the professional gambler, outlining some of the points of similarity and lessons that could be learned from the gambler's technique. He also listed some of the qualifications which he considers necessary for success in life insurance work.

H. Kennedy Nickell of the Connecticut General in Chicago warned agents against being deterred in working out tax savings schemes by the efforts on the part of the federal administration to discredit those who use technical methods to avoid taxes. Success in selling tax and business cases, he contended, comes only with careful advance preparation. A proposal must be framed that constitutes a "pressure idea," he declared.

A. C. (Tex) Bayless, Southland Life,

Houston, Tex., speaking on building prestige, said that the agent rather than the company is the main factor in most purchases of life insurance and that if the agents can build up his prestige among his fellow citizens it will mean a material increase in his sales. He suggested newspaper advertising for the small town agent and said that indirect advertising for the benefit of professions that are not allowed to advertise themselves helps in building prestige among those professions.

A. E. Patterson, vice president, Penn Mutual, got a big ovation when he took the rostrum to give his address on "Minimum Incomes for Life Underwriters." Had he not been elected an official of his company last December, this would have been his convention at Denver, for he was elected president of the National association last September in Boston.

Mr. Patterson expounded the necessity of bringing about a condition where under each agent earns an income that will keep him decently and respectably. That requires, he said, elimination of the unfit and a minimum amount of work and knowledge on the part of those who are properly constituted for the business.

## "A Factual Basis for Action"

A prominent authority on accident and health and life insurance recently wrote: "The tendency of the times is to secure a factual basis for action along any line, as far as this can be done. . . . The possibilities of drawing some very definite conclusions from research of a very limited character were demonstrated by the results obtained by the Monarch Life in connection with the analysis of 40 sales of each of its hundred leading agents."

**MONARCH**  
**LIFE INSURANCE COMPANY**  
Springfield, Massachusetts

Monarch Agents use "both hands" effectively.

Greetings from  
**SCRANTON LIFE INSURANCE**  
**COMPANY**  
SCRANTON, PA.  
WALTER P. STEVENS, President



## Women Producers Have Full Day Of Activities

Continued from Page 6

to cities and company affiliations. Of a membership numbering about 500, 50 are eligible for the quarter-million-dollar group.

First speaker introduced by Miss Rockwell was Lorraine Sinton, Mutual Benefit, Chicago, whose subject was "Practical Prestige Building."

Miss Sinton in turn called upon Joy M. Luidens, executive secretary of the Chicago Association, to take a bow because "she has done an outstanding job."

At the conclusion of Miss Sinton's address, Miss Rockwell pronounced it "one of the most instructive and interesting talks I have heard at any convention" and called for a rising tribute. Several requested Miss Sinton to autograph copies of her recent book.

### Mrs. Felkel Speaks

Mrs. Herbert Felkel, Prudential, St. Augustine, Fla., the next speaker, chose as her theme the importance of developing true friendship between the agent and her client.

"Only by keeping friendship in constant repair may we build and keep our clientele," Mrs. Felkel asserted. "The paramount quality necessary to the salesman is a bright and cheerful smile. With an understanding heart, we will win the confidence and esteem of our community."

"Women and Their Business" was the subject selected by Katherine Fisher of New York, guest speaker, house economist and director of Good Housekeeping Institute. Following her inspirational talk, Miss Rockwell read telegrams from Corinne Loomis, John Hancock, Boston, and Beatrice Jones, Equitable Society, New York City, regretting their inability to be present.

### Two Died In Year

Miss Rockwell announced the death of two members during the past year: Jewel Preston, John Hancock, Cincinnati, and Laura Ellen Babcock, Massachusetts Mutual, Chicago.

The meeting adjourned for luncheon. Following luncheon, Sara Frances Jones, Equitable of New York, Chicago, presided at the quarter-million Round Table group and Helen Hankins, Penn Mutual, Denver, led the sales seminar session. Miss Hankins is president of the Colorado Federation of Business and Professional Women.

Before the quarter million producers got under way Miss Jones announced that 38 women qualified for membership. Of that number the following 10 were present and received their framed certificates:

Bessie Dale, Kansas City Life, Lawton, Okla.; Vera Reynolds, Equitable of N. Y., Chicago; Helen Summy, Equitable of N. Y., St. Joseph, Mo.; Mrs. Curtis S. Fray, Equitable of N. Y., Kansas City; Mary L. McCray, Mutual Life, Dayton, O.; Genevieve Forsberg MacLaver, Equitable Society, San Francisco; Mrs. Herbert Felkel, Prudential, St. Augustine, Fla.; Helen Rockwell; Hermine R. Kuhn, Equitable Society, N. Y. City, and Sara Frances Jones.

### Three in Sales Seminar

"We enjoy the signal honor of having three of our members on the program of the sales seminar," Miss Jones announced. She opened the discussion of prospecting which elicited many stimulating ideas.

Mrs. MacLaver declared at first she culled newspaper and club lists for names of prospects to whom she first appealed through letters written in longhand. One cherished answer came from Mary MacDowell, veteran social worker, for whom she subsequently wrote many annuities.

"Revamping my letter continuously,

as I sent out an average of five a day, I first made myself known, followed up the letter with a telephone call and soon had a substantial list of prospects all my own," Mrs. MacLaver said.

### Specialized Among Teachers

Vera Reynolds declared she used the telephone system also but having been a teacher drew her prospects from teachers by developing a health and accident program for this group. She advised prospecting by group method to a large extent, mentioning vocational, locality or salary savings groups as possibilities.

"We can impress ourselves on one group in a large city, making our presence felt and needed," she declared.

Helen Summy, formerly a teacher in high school, found that when she started in life insurance the young men who had needed her help in solving their school problems now needed her help in their business and financial problems. "After 16 years of business I am beginning to reap the harvest, as a large percent of my cases now walk into my office," she said.

### Small Town Technique

Bessie Dale, Lawton, Okla., said she came from a small town and has used all kinds of methods. Any plan will work if the agent works the plans, she believes.

Mrs. Felkel, who leads all the women producers of her company, declares she has always used a selective method. "I decide where I had best spend my time and prospect carefully," she said. "I try to get to my clients six months or a year ahead of other salesmen and I listen for news of a 'blessed event' or marriage way ahead of time and sell these prospects before their other bills start coming in. Let's out-think the other fellow and get there ahead of the crowd."

### Recognizes Client's Ego

Miss Jones wants her client to feel he has used his own judgment and done a wise thing, and that she has only been of assistance in helping him arrange his program.

Mrs. Curtis Fray said she is so sold

on the idea of life insurance herself it is not hard to convince others. "I know people want to buy it and I'm the person they want to buy from," she said.

Mary L. McCray, Dayton, O., has dealt largely with women of means who have investment problems and financial worries, who have inherited stocks, bonds, real estate or businesses, and feel an increasing desire to have things made easier as they grow older.

"Women need definite and constant income and life insurance is the only institution which can furnish this," she said.

### Imagination Is Needed

Helen Rockwell declared that the things closest and easiest are usually the most overlooked.

"We must have the imagination to see prospects in our daily contacts," she said. "If we do a good job for one person he will gladly give us the name of a friend. Auto salesmen, bankers, dentists, doctors, and even mothers-in-law are often good prospects. We walk miles sometimes when we need only walk around the corner."

Louis Behr, Equitable of N. Y., Chicago, who has produced almost two million in a year, was guest speaker.

"Serving my prospects properly is my most potent method of prospecting," he declared, after expressing his great interest in the talks preceding his. "Making clients proud to recommend us is our best system. Our ambition is to raise the level of our prospects. A laborer will recommend a laborer, a bank executive another executive."

### Miss Rockwell New Chairman

At the conclusion of Mr. Behr's talk Miss Jones turned the gavel over to her successor, Helen Rockwell, who had been unanimously elected to head the Quarter Million group for the coming year.

Four leading topics, each one complementing the other, were taken up at the Sales Seminar, led by Helen Hankins. They were prospecting, problems of approach, sales ideas, and motiva-

tion and each was presented by a woman of acumen.

Vera Reynolds, Equitable of New York, Chicago, discussing prospecting, declared the successful worker must be possessed of a keen mind, a rare sense of humor, and indefatigability. Prospecting, far from being haphazard, must be done on a well thought out basis, and the clientele built to serve for many years, on a basis as intimate as any doctor.

### Discussion Period

Entering into discussion at the conclusion of Miss Reynolds' talk were Zura Zeigler Brown, Lincoln National, Fort Wayne, Ind., Mrs. Martha Allin, Connecticut Mutual, Minneapolis, Ellen Putnam, Rochester, N. Y., and Grace Thomas, Kalamazoo, Mich.

Dorothy Stake, Penn Mutual, Denver, led the discussion on "Problems of Approach." Her favorite approach is through the retirement income plan, she declared, selling her clients on the idea of a real savings plan to guarantee them a monthly income at the time of life they will most need it. Mrs. Stake said she entertained her policyholders frequently at her home at social functions, bridge parties and luncheons, at which affairs, not she, but others bring the subject of insurance into the conversation.

Helen Summy, had as her subject "My Best Sales Idea." She emphasized the need for giving investment advice to the small investor. Mrs. Fray led the discussion following Miss Summy's talk, declaring that in the past 12 years she has supported herself and four children through her insurance work. She too believes in the efficacy of selling retirement annuities to hedge against dependence in old age. Miss Sinton, Carrie Bell, Des Moines, and Vera Harmer, New York Life, St. Louis, entered into the succeeding discussion.

### Mrs. MacLaver Final Speaker

Final speaker for the afternoon was Mrs. Genevieve Forsberg MacLaver of San Francisco whose subject was "Motivation," which she defined as the spark that sets in motion the plan we have dreamed of for our prospect.

"Some people are overwhelmed by unrealistic optimism, some have too much lethargy to act," she said. "We must stir them to action. Inspiration is an intangible quality that must be courted. If we have developed human understanding, keen personal sympathy and an appreciation of the problems of others we have gone a long way. Sometimes we try to lead too soon, without enough information."

She urged her listeners to make plans that challenge them to greater production. "Our prospects, too, want dreams of better things crystallized into reality."

Clarence Axman, editor of the "Eastern Underwriter," touched a lighter vein in addressing the Dutch dinner session. Recently home from the coronation, Mr. Axman told something about the British attitude toward the Duke of Windsor and the new king.

Mr. Axman discussed some eccentric personalities he has known among insurance men who, though apparently queer, were leaders in their business.

Tiny cactus plants in vases of Colorado alabaster were given each guest as souvenirs. Mrs. Helen H. Bailey, chairman, then adjourned the meeting.

The Denver division of women underwriters consisted of Mrs. Marie B. Parker, chairman; Miss Hankins, Mrs. Bailey; Miss Alice Safford, Connecticut Mutual; Mrs. Celia Downes, and Miss Theodosia Raines, New York Life.

### Kansans Have Gathering

The Kansas people had a caucus Wednesday prior to the national council meeting. The session was in charge of Lyman E. King, general agent New England Mutual, Topeka, who is president of the Kansas state association.

## Random Convention Shots



Top row (left to right)—George Dyer, Jr., Columbian National, St. Louis; J. F. Trotter, Mutual Life, Kansas City. (Inset) Castanet singer for Houston delegation and Alva Carlton, Great Southern, Houston; J. E. Callahan, Metropolitan Life, St. Louis; C. S. Caldwell, state manager Life of Virginia, Oklahoma City; Ricks Strong, general agent John Hancock Mutual, Dallas. Bottom row—Mrs. Herbert Felkel, Prudential, St. Augustine, Fla.; Dr. S. S. Huebner, president American College of Life Underwriters; Marian Andrews, daughter of John Andrews, Union Central Denver manager; H. A. Nye, Equitable Society manager, Denver, and James Godard, Franklin Life general agent, Denver.



## Seeks to Dissipate Shadow Cast on Capitalistic Setup

Continued from Page 5

stitutions has commanded its own particular premiums. Fear has been in the saddle for years, and faith has been hard-ridden with doubt and misgiving. The tests of individual courage and resourcefulness become more and more severe. In the common ordeal we have had occasion and opportunity to learn again the lesson that the resources of the nation derive from the resourcefulness of the individual.

"We, as policyholders, of all others know that by the careful management of their private affairs, millions of Americans have served notice that they are determined to keep the United States a going concern. We see the most significant evidence of this faith in the future of the country, in the purchase of 14 billions of life insurance a year, in the deposit of 3½ billions of savings in payment for life insurance alone. We are in position to sense the development of an economic democracy, in the fact that 65 million Americans have bought life insurance."

It is paradoxical, he declared, that life insurance owners assail capitalism. It is the capitalistic system that makes insurance possible. The system of which life insurance is an integral part is under attack by those who believe in and buy insurance. Many today, he said, pin their hope to their insurance yet assail capitalism. Insurance, he observed, represents the largest accumulation of capital except for banks.

The paradox is due, according to the speaker, to the fact people have been taught to think of insurance in its humanitarian and social rather than in its economic aspects.

### Appeal Has Been Sentimental

"Your appeal to purchase has been largely sentimental," he observed. "Pictures of helpless widows and orphans. The wreckage of homes. The shame of improvident husbands and fathers. Doom, death and destruction."

"I plead for more emphasis on the joy of living. Death is not its goal. The idea of protection plus investment for future dividends of happiness and ease of mind, is a golden text for the times."

"The state of public thinking today demands a new chapter that will explain the role of life companies as unofficial reconstruction finance corporations; that life insurance dollars support fundamental economic needs of American life."

"If we are today to point to one great feature representative of the capitalistic system of the old order, we could do no better than to name the institution of insurance," he declared. "It typifies capitalism of the individual, thriftiness, the desire for personal independence, self-reliance, progress, setting up reserves for future use by persistently saving a portion of the present. It means the private ownership of property, the sanctity of contract, the right to profit by one's own energy and industry."

### Individual Opportunity

"No group in the country is better placed nor better fitted to recognize the significance of individual freedom and individual opportunity to work, to save, and to protect, than the man who has an insurance policy."

"Insurance and insurance men are the product of the old order. And policyholders are the shock troops on which this nation must today depend to maintain perspective and meet with facts and figures and common sense the dangerous political and economic fallacies put forward by tub-thumping demagogues and impractical pedagogues."

## National Council Hears How Local Groups Operate

Continued from Page 6

of 50 quarter million writers had been secured, of whom 38 qualified for the round table. Miss Rockwell reported 10 women's divisions of local associations have been organized the past year, in addition to the seven already in operation, and that these divisions had added 134 members to the national association. There are 500 national association members in the 17 groups. In Cleveland she said six women had voluntarily gone to the local association headquarters and asked to join.

Paul H. Conway, Massachusetts Mutual, Albany, N. Y., reporting on cooperation with trust officers, said the recent restrictions on optional settlements would create a new problem and more work for the trust companies. He praised highly the cooperation of the trust company division of the American Bankers association, told of the handbook issued jointly by the two committees and reviewed the joint meetings of local associations and trust officers held in a number of cities.

### Cooperation with U. S. Chamber

J. S. Myrick, Mutual Life, New York, in his report on cooperation with the U. S. Chamber of Commerce, devoted his attention mainly to problems of taxation. In connection with the chamber's recommendation that the \$40,000 exemption of life insurance proceeds be extended, due to the fact that the income from \$40,000 is nothing like what it was when the original law was enacted, he urged that local associations enlist the aid of leading people in their communities in calling the attention of congressmen and senators to the desirability of such a change. He noted the appointment by Chairman Dotten of the house revenue committee of a subcommittee, just announced, to consider the revision of the tax laws.

He cited with especial pleasure the high character of the personnel of the U. S. Chamber's insurance committee for the coming year.

### Lackey First Afternoon Speaker

George E. Lackey, Massachusetts Mutual, Detroit, reported as chairman of committee on cooperation with lawyers. He had prepared an elaborate mimeographed pamphlet recording the activities of the year. Phineas Prouty, Jr., of Los Angeles, and Frederick Bruchholz, Chicago, have been the most active members of the committee, he said.

Reports were also made for the committee on by-laws by E. A. Crane, Northwestern Mutual, Indianapolis; conservation, Phineas Prouty Jr., Massachusetts Mutual, Los Angeles; elections, J. A. Witherspoon, John Hancock Mutual, Nashville; international council, E. W. Owen, Sun Life of Canada, Detroit; publications, Sidney Wertimer, Prudential, Buffalo, and national safety, H. A. Hedges, Equitable of Iowa, Kansas City.

### Improvement in Agency Standards

President Riehle closed the session with his report as chairman of the agency practices committee, emphasizing that the goal of the campaign is to raise man-power standards to the same plane of acceptability to the public that life insurance itself now enjoys. He told of the contacts made with organizations and individuals in furtherance of the campaign and of the four pamphlets issued, explaining the purposes and progress of the movements. He expressed the hope that it will be carried under succeeding administrations to ever higher levels.

**A POLICY FOR EVERY PERSON AND EVERY PURSE**

**THE GREAT-WEST LIFE ASSURANCE COMPANY**  
HEAD OFFICE WINNIPEG CANADA  
INSURANCE ON THE LIFE OF

NAME \_\_\_\_\_  
AGE \_\_\_\_\_  
AMOUNT \$ \_\_\_\_\_  
PREMIUM \$ \_\_\_\_\_  
SIGNATURE \_\_\_\_\_

## RESPONSIBLE

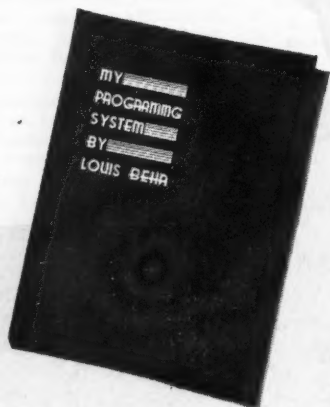
A Great-West representative discusses clients' problems with confidence and in confidence. He offers the services of one of the largest life companies on the continent.

He is a thoroughly trained life insurance man, a credit to his company and to the profession.

That is the standard of ethics and capability this company demands. In demanding just that, The Great-West is sharing its definite responsibility to Life Underwriters, internationally.

**THE GREAT-WEST LIFE ASSURANCE COMPANY**  
HEAD OFFICE • WINNIPEG, CANADA

# TWO NEW PUBLICATIONS



8 1/4 x 11 inches. Blue and Silver Cover

## PRICES:

Single copies .....	\$2.00
Lots 5, each .....	1.90
Lots 10, each .....	1.80

## THE NEW BOOK ...

### *"My Programing System"*

... By LOUIS BEHR

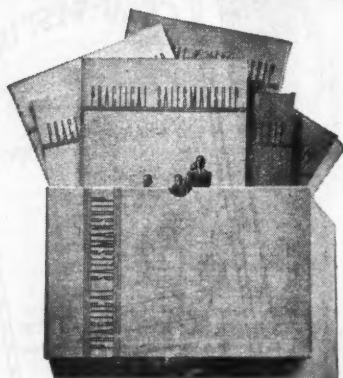
Here, a life member of the Million Dollar Round Table and leader of the entire field force of the Equitable of New York for 1936 tells how he sells. Mr. Behr made a hit explaining this system at the Life Insurance Sales Research Bureau School in Chicago, July, 1937.

For men selling \$100,000 or more and doing program work, this book is a "must".

**MONEY BACK IF YOU DON'T LIKE IT**

## EDITOR'S NOTE:

HERE ARE TWO THINGS YOU OUGHT TO HAVE



8 3/4 x 5 1/2 inches. In Heavy Paper Box

## PRICES:

Single sets .....	\$2.00
Lots 5, each .....	1.90
Lots 10, each .....	1.80
Lots 25, each .....	1.75
Lots 50, each .....	1.70
Lots 100, each .....	1.65

## THE NEW STUDY COURSE ...

### *"Practical Salesmanship"*

... By DENNY NELSON

A successful field man of St. Louis has written a new, brief and practical Study Course. Here's what one man says about it. Russell S. Moore, Assistant Manager of Agencies, Midland Mutual Life Insurance Company, writes under date of August 13: "I have *carefully studied* 'Practical Salesmanship' by Denny Nelson. The course is exactly what the name implies — practical. It is chock-full of ideas and suggestions which can be used by small, average and large producers. It is brief, complete and decidedly concrete."

For men who have been in the business three months this compendium of ideas is a gold mine.

**MONEY BACK IF YOU DON'T LIKE IT**

## ORDER BLANK

The Diamond Life Bulletins,  
420 East Fourth Street,  
Cincinnati, Ohio

Please send me ..... copies "My Programing System" by Louis Behr

Please send me ..... copies "Practical Salesmanship" by Denny Nelson

☐ Charge my account

☐ Check enclosed

Name..... Company..... Title.....

Address..... City..... State.....



# GREETINGS

From the

**PACIFIC MUTUAL DELEGATION**

HEADQUARTERS: COSMOPOLITAN HOTEL

**E**very  
four minutes  
of every working day  
this company is mail-  
ing a claim check to a  
Pacific Mutual policy-  
holder or beneficiary.  
These payments re-  
quire more than 4700  
checks each month . . .  
and amount to over  
one million dollars.

GIANT OF  
THE PACIFIC

**Pacific Mutual**  
LIFE INSURANCE COMPANY  
LOS ANGELES, CALIFORNIA

## *The National Association of Life Underwriters*

Please accept the grateful appreciation of  
The Security Mutual Life Insurance Company for  
the consideration given the great Middle West in  
holding your National Convention in Denver.

***The Security Mutual Life Insurance Co.***  
of  
Lincoln, Nebraska

## Commencing Our Second Quarter Century of Service and Achievement

This great Mid-Western Institution invites  
your attention to its more than twenty-six  
years of unsurpassed service in everything  
pertaining to the business of Life Insurance.  
Never has there been a flaw in the character  
of this service, and to our Policyholders, the  
Public and our own Representatives, we  
pledge a continuation of the same conscien-  
tious and conservative management that has  
since its beginning, given strength, charac-  
ter and integrity to this great institution, a  
product of the Middle West.

*H. K. Lindsley, President*  
*J. H. Stewart, Jr., V.P.-Treas.*  
*F. B. Jacobshagen, Secretary*

**The  
Farmers & Bankers  
LIFE INSURANCE COMPANY**

Wichita, Kansas

"Policies that Protect"

RADIO STATION K F B I—1050 KILOCYCLES

# Technique Is Standardized

By Means of Four Charts Program Is Set  
Forth for Prospect That Tends to Create Sale

By JOHN O. TODD  
Northwestern Mutual, Minneapolis

If a man told you that he was worth \$25,000 in good liquid securities, would you think it advisable for him to give some time and thought to preparing a will in order to take care of the distribution of these funds in case of his death?

If this man had spent 10 years carefully investing every dollar of these funds so as to have the best possible securities, would you suggest that he include in his will a provision definitely instructing his executor to sell all of these securities and turn the cash over to his wife?

When no thought has been given to the basis of distribution in regard to a man's life insurance, and when no thought has been given to trusteeship so that the funds themselves are paid in cash to the beneficiaries, he is, in fact, requiring his executor to liquidate the finest investments that can possibly be made for his account.

## Making Program Create Sale

If we can find a method through which it is possible to make the program create the sale, and at the same time to make the creation of the sale automatically lay out the outlines of the actual endorsements of the program itself, we can do a great deal toward shortening the time spent.

I give you an actual case. The first problem is to procure the necessary information in the preliminary interview. It is important to bring a man's ideas down to the minimums which he himself would permit if the matter were in his control. When a man tells me he wants to have \$300 a month for his wife, I would rather force him to admit that \$200 a month is the absolute minimum that she could get along on. In this interview it is necessary to discover:

1. How much cash would be required in case of his death.
2. How much income would be needed until the children are educated.
3. How much life income is needed for his wife after the children are educated.
4. How much income he needs in event of survival.

Having procured this information, it is now our job to develop the information from the negative which he has given us, into a clear-cut positive, by preparing the material in the following manner:

## Value of Present Plan

It is necessary to give him a bird-eye view of his present plan as it stands. For example, we have discovered that he has a total of \$22,000 of insurance. Thus we will set up a chart (Chart I) showing graphically his present plan, which we will label "Your Present Plan"—\$22,000. Which will provide \$58.49 per month, without use of principal, at the guaranteed rates of the companies. Directly below that let us make the statement that if this income were inadequate, and if \$200 per month were needed, the principal could be used to provide \$200 per month for 10½ years, at which time your daughter would be 17 years old. What then? In the event of your survival to age 60, your present plan will provide you guaranteed cash values in the amount of \$7,175, which would provide a life annuity of \$48.07 per month for you.

Directly opposite this picture of his present plan, it is important that we set down what he has told us he needed, and under the title "What You Tell Me You Need" (Chart II), we will put the following: Cash—\$3,000, to pay bills and expenses. Second, an income of \$100 per month until your youngest is 21 years of age. Then, an income of \$100 per month for the rest of your wife's life. If you survive to the age of 60, enough capital to produce a life income for you of at least \$175 per month.

## Difference Is Demonstrated

We now have graphically laid before him the difference, and it is only our job now to find out how much additional capital is required in order to accomplish those things which he has told us are an absolute minimum. Thus we demonstrate by a chart entitled "Suggested Solution" (Chart III). We have found that a \$10,000 family income contract will provide the difference, and so our suggested solution chart states the following:

The inclusion of \$10,000 family income provides the following: Cash, \$3,-

000; an income for 15 years of \$198 per month, and then an income for the rest of your wife's life of \$100 per month.

In order to point the chart up, we show directly below this the difference in total results as the result of the inclusion of this additional capital. Under his present plan, if it is paid at the rate of \$200 per month for 10½ years, there will be paid a total by the companies of \$25,200. Under the suggested plan, there will be paid in cash \$3,000; an income of \$198 per month for 180 months, or \$35,640; from an emergency fund to be used for the children's education, there will be paid \$2,690; and there will still be remaining for his wife at her age 50, \$19,000—a total of \$60,330 which will be paid over a period of 15 years following the death of the policyholder. This is a difference of \$35,130 as a result of the inclusion of an additional \$10,000 of family income.

## Provides Flexibility

After the suggested solution has been accepted, this chart provides the key to drawing the endorsements for the actual program. May I suggest in order to make the greatest flexibility, all policies be left with the companies on the interest option first, with the privilege to the beneficiary of conversion to the various options necessary in order to permit the withdrawal of capital over the period of time desired. After the endorsements have been drawn, and the program completed, a complete distribution chart (Chart IV) provides the method of definitely establishing in the mind of the buyer exactly what his plan is and what he has done with it. The figures are immaterial, and the plan is practically standard for all cases. The utilization of this method puts you in the position of financial adviser, and your policyholder becomes a client.

## Picture Average 1937 Member of Million Dollar Round Table

A picture of the average Million Dollar Round Table member of 1937, as shown by 104 returns on the questionnaire sent out by Chairman Grant Taggart, shows that he is 45 years old, has been in the life insurance business since he was about 29 years old, or 16 years. It took him six years to reach the million a year mark. He wrote 67 cases for a total of \$1,092,262 in 1936.

He calls on recommended strangers and friends, by appointment which is usually made by telephone. He holds 42 per cent of his interviews in his own office. He believes that contacts are the most important in his business, with effort and knowledge coming next. This includes 34 life members who did not produce the required million the past year.

A detailed analysis of the returns follows:

Do you call on friends, strangers, or both?

Friends, 12; strangers, 5; both, 87.

Average number of calls per day, 64.

Do you make appointments in advance?

Yes, 85; no, 10.

If so, how?

Telephone, 50; person, 7; both, 40; mail, 4.

Do you have interviews in your own office? Yes, 69; no, 35.

If so, what per cent of interviews in your office? 42 per cent.

Which is most important: knowledge, effort or contact?

Knowledge, 15; effort, 16; contact, 43; equal, 14.

Do you set a quota or allotment for yourself?

Year, 27; month, 35; week, 15; no quota, 29.

Do you use direct mail? Yes, 35; no, 62.

Do you use an organized sales talk? Yes, 42; no, 62.

How many cases did you pay for last year? Total, 6,917; average, 66.5.

What was your total paid business in 1936? Total, \$105,949,434.

At what age did you enter the life insurance business? Average, 29.

How long have you been in the life insurance business? Average, 16 years.

How many years before writing a million? Average, 6.

How many wrote a million the first year? 16.

Do you specialize? Yes, 49; no, 52.

If so, what?

Taxes, 54; business insurance, 14; family program, 10; annuities, 11; programming, 15; college education, 1; juvenile, 3.

In your opinion the next 12 months will show business to be: Excellent, 62; good, 37; fair, 5; poor, none.

CHART I	CHART II
<b>YOUR PRESENT PLAN</b>	<b>WHAT YOU TELL ME YOU NEED</b>
\$22,000	Cash - \$3,000 (To pay bills and expenses)
Which would provide	An income of
\$58.49 per month	\$200 per month till the youngest is 21
without use of principal, at guaranteed rates of the companies.	Then
If this income were inadequate, the principal could be used to provide	An income of
\$200 per month	\$100 per month for your wife for life thereafter.
for 10-1½ years	
At which time your daughter would be 17 years old.	
WHAT THEN?	
<b>IN THE EVENT OF YOUR SURVIVAL TO AGE 60</b>	
Guaranteed Cash Value in an amount sufficient to provide a life annuity income of:	Guaranteed Cash Value in an amount sufficient to provide a life annuity income of:
\$7,175	\$175 per month.
Which would produce a life annuity income of:	
\$48.07 per month	

CHART III	CHART IV
<b>SUGGESTED SOLUTION</b>	<b>ESTATE DISTRIBUTION OF LIFE INSURANCE PROCEEDS</b>
Inclusion of \$10,000 Family Income Provides:	Total Principal - \$45,690
Cash - \$3,000	Payable in Cash - \$3,000
An income for 15 years of \$198 per month	Balance - 42,690
besides an emergency fund of \$2,690 to be used for the children's education.	Which would produce a guaranteed interest income, without use of principal, of
Then	\$105.44 per month
An income to your wife for life of:	In order to provide a larger income when and if it is needed, principal has been divided as follows:
\$100 per month	
<b>DIFFERENCE IN TOTAL RESULTS</b>	
<b>Present Plan</b>	<b>Suggested Plan</b>
Income for 10-1½ years at \$200 per month - \$25,200	Cash.....\$3,000
	Emergency educational fund...\$2,690
	Income for 15 years at \$198 per month.....\$35,640
	Remaining at wife's age 60 - \$19,000
	Total \$ 60,330
	Total under present plan - \$25,200
	Difference \$ 35,130
<b>Living Values</b>	
Guaranteed Cash Value - \$7,175	Guaranteed Cash Value - \$11,275
Life Annuity Income - \$48.07 per month.	Life Annuity Income- \$75.54 per month
	(By conversion of the term portion to a higher premium annuity form of contract this cash value could be increased to an amount sufficient to provide a total annuity income of \$185.47 per month)

A	B	C
\$19,000	\$21,000	\$2,690
Left at interest with the privilege of conversion to life income at age 50. Guaranteed interest income prior to conversion:	Left at interest with the privilege of converting to equal monthly installments for 15 years. If so converted the income for 15 years would be:	Left at interest with the privilege of withdrawal at any time in event of an emergency, or for educational purposes. Guaranteed interest income prior to any withdrawal:
\$46.93 per month	\$144.87 per month	\$6.64 per month
	Total income available for 15 years \$197.94 per month	
	At your wife's age 50	
	There would remain in the hands of the insurance companies:	
	\$19,000	
	Which would be sufficient to produce a guaranteed income of \$100.13 per month for life with a minimum guarantee of 10 years.	